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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

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Unemployment Rate

Seasonally Adjusted
August *

ARIZONA – 5.2%
Maricopa Co. – 4.2
Pima Co. – 4.3
United States – 5.6

Consumer Price Index

U.S. – August 1990
Base = 1982-84

Wage Earner/Clerical Worker – 129.9
% Chg. Year Ago – 5.4

All Urban – 131.6
% Chg. Year Ago – 5.6

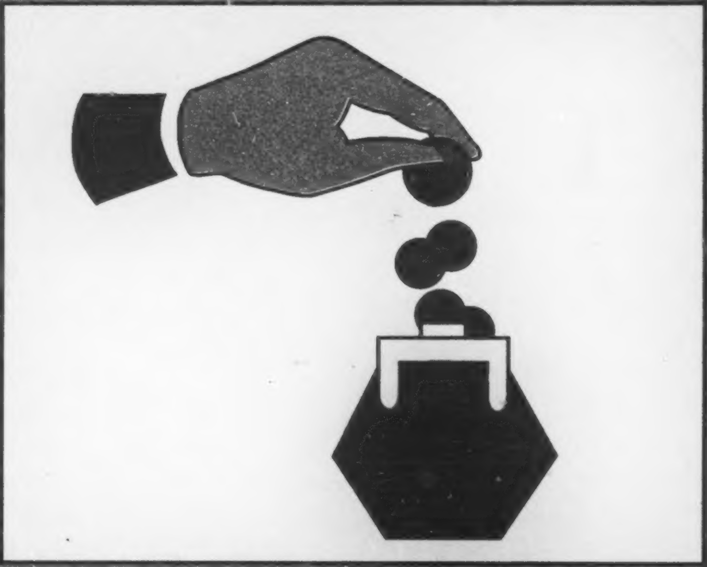
Phoenix – 3rd Qtr 1990
Base = 1982-84

All Urban – 133.8
% Chg. Year Ago – 5.4

Tucson – 3rd Qtr 1990
Base = 1982-84

All Urban – 131.3
% Chg. Year Ago – 4.7

* Preliminary



Average Annual Pay

Arizona, Metro Areas Still Coming Up a Few Cents Short

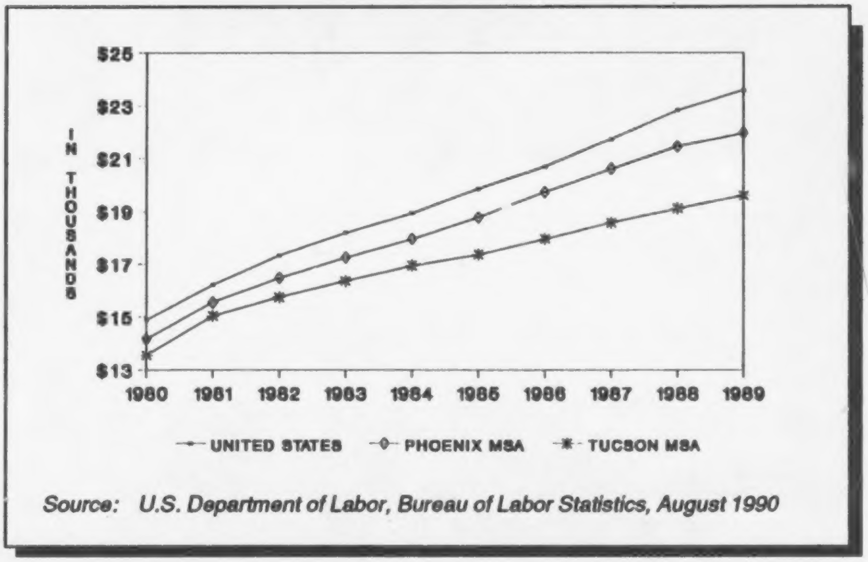
Inside This Issue **Page**

Growth in State, Metro Pay Lags National Average 2
Personal Income Increases 7.6 Percent 5
New Perkins Law Changes Emphasis of Voc Ed Funding 6
The Arizona Labor Force in August 7
Arizona Labor Force Statistics 8
News in Brief 13
New Developments 14

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

State, Metro Areas Lose Ground in Annual-Pay Race

Figure 1. **Metropolitan Area Average Annual Pay, U.S. MSA Average vs. Phoenix and Tucson MSA Averages**



Source: U.S. Department of Labor, Bureau of Labor Statistics, August 1990

Continuing a trend of the 1980s, average annual pay for Arizona workers covered by state and federal unemployment insurance (UI) programs fell further behind national averages in 1989, according to preliminary data released in August and September by the U.S. Department of Labor's Bureau of Labor Statistics (BLS).

Arizonans' average annual pay in 1989 rose 2.1 percent over the previous year, to $20,808, compared to a growth rate nationally of 3.2 percent and average annual pay of $22,567. The state's growth rate ranked 49 — only ahead of Montana and Wyoming — among all other states and Washington D.C. and was reflected in the fact the state fell three notches in rankings for average annual pay — from 24 to 27 — coming on top of a drop of three places in 1988 (Table 1).

Arizona Personal Income, p. 5

Arizona's two metropolitan areas, meanwhile, did not fare much better than the state as a whole, underperforming the national average for 319 metro communities.[1] In 1989, Phoenicians' and Tucsonan's average annual pay rose 2.4 percent and 2.6 percent, respectively, over 1988 levels, compared to an average increase of 3.2 percent for all metropolitan areas. Average annual pay for Phoenix-area workers was $21,954 last year, while Tucson-area workers' pay was $19,596 and the national metropolitan-area average was $23,573.

In the past decade, Arizona's two major population centers — as well as the state as a whole — have fallen further behind the national pay average, primarily because of the state's rapid service-sector growth (see *Arizona LMI Newsletter*, October 1989). Businesses in the service-producing sector — services; finance, insurance, and real estate (FIRE); transportation, communications, and public utilities (TCPU); trade; and government — tend to pay lower wages than those in the goods-producing sector — manufacturing, construction, and mining.

The Phoenix area, which trailed the national metro pay average by 5.2 percent in 1980, fell below by 7.4 percent in 1989. And the Tucson metro area's deviation below the national average has been even more dramatic, going from 9.9 percent in 1980 to 20.3 percent last year (Figure 1). This continued divergence in pay has been evident in the two metro areas' decline in national rankings, with the Phoenix area coming in 92 last year (down from 84 in '88 and 80 in '87), while the Tucson area was 198 in '89 (down from 194 in '88 and 188 in '87).

Focusing on specific industry data, as might be expected most of Arizona's major industry groups failed to keep pace with national group averages for average annual pay (Table 2). The state's mining, construction, retail trade, FIRE, services, and government sectors had smaller gains that nationally, while manufacturing, TCPU, and wholesale trade in Arizona outperformed the national rates. Spurred by bonuses, pay in the mining industry jumped 22.5 percent in 1988, but declined 5.2 percent last year due to the curtailment of bonuses, says an official with the Arizona Mining Association.

Looking at the country as a whole, as in the prior two years the District of Columbia had the highest level of annual average pay in 1989, $32,186. South Dakota had the lowest average annual pay with $15,810.

Washington D.C. also posted the largest percentage increase in average annual pay, with a gain of 6.1. Wyoming, with a 0.7 percent increase in average annual pay, showed the smallest change.

Average annual pay levels for states varied widely by sector and industry. Mining held true to its traditional role

Table 1. **Average Annual Pay for States and Washington D.C., 1988 and 89, and Rank by Percent Change, 1988-89, for All Covered Workers[1]**

State	Average Annual Pay 1989[2]	Average Annual Pay 1988	Percent Change[3]	Rank by Change
United States	$22,567	$21,872	3.2%	
Washington D.C.	32,106	30,253	6.1	1
Alaska	29,704	28,033	6.0	2
Connecticut	27,500	26,234	4.8	5
New York	27,303	26,347	3.6	19
New Jersey	26,780	25,748	4.0	12
Massachusetts	25,233	24,143	4.5	9
California	24,921	24,128	3.3	21
Michigan[4]	24,853	24,193	2.7	31
Illinois	24,211	23,608	2.6	34
Maryland	23,466	22,515	4.2	11
Delaware	23,268	21,977	5.9	3
Pennsylvania	22,312	21,485	3.8	17
Minnesota	22,155	21,481	3.1	23
Ohio	21,986	21,501	2.3	43
Colorado	21,940	21,472	2.2	47
Virginia	21,879	21,053	3.9	14
Texas	21,740	21,130	2.9	26
Hawaii	21,624	20,444	5.8	4
Washington	21,617	20,806	3.9	15
New Hampshire	21,551	20,749	3.9	13
Nevada	21,342	20,548	3.9	16
Rhode Island	21,128	20,206	4.6	7
Georgia	21,071	20,504	2.8	28
Indiana	20,931	20,437	2.4	39
Missouri	20,899	20,295	3.0	25
Arizona	$20,808	$20,383	2.1%	49
Oregon	20,303	19,637	3.4	20
Wisconsin	20,204	19,743	2.3	45
Florida	20,072	19,523	2.8	30
W. Virginia	19,789	19,341	2.3	44
Louisiana	19,750	19,330	2.2	46
Tennessee	19,712	19,209	2.6	35
Alabama	19,593	19,003	3.1	24
Oklahoma	19,530	19,098	2.3	40
Vermont	19,497	18,640	4.6	8
Kansas	19,474	19,030	2.3	42
Utah	19,362	18,910	2.4	38
N. Carolina	19,320	18,636	3.7	18
Wyoming	19,230	19,097	.7	51
Maine	19,202	18,347	4.7	6
Kentucky	19,001	18,545	2.5	36
S. Carolina	18,797	18,009	4.4	10
New Mexico	18,667	18,259	2.2	48
Iowa	18,420	17,928	2.7	32
Idaho	18,146	17,648	2.8	29
Nebraska	17,694	17,190	2.9	27
Arkansas	17,418	17,023	2.3	41
Montana	17,224	16,957	1.6	50
Mississippi	17,047	16,522	3.2	22
North Dakota	16,932	16,508	2.6	33
South Dakota	15,810	15,424	2.5	37

Notes:

1. Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.
2. Data are preliminary.
3. Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.
4. State government data for certain Michigan agencies were estimated for the third and fourth quarters of 1989 and will be revised along with the national average.

Source: U.S. Department of Labor, Bureau of Labor Statistics, August 1990

as industry leader, with average annual pay of $35,787. As is also the norm, the lowest average annual pay was in retail trade ($12,283), which employs a large proportion of part-time workers.

Within private industry, mining had the largest increase in average annual pay, 4.2 percent, followed by services (3.9 percent), construction (3.2 percent), and manufacturing (3.1 percent). The smallest percentage increase, 2.2 percent, was in FIRE.

Among metropolitan-areas, Bridgeport-Stamford-Norwalk-Danbury, Conn. led the nation with an average annual pay level of $32,021. New York City had the second highest average ($31,621), followed by San Jose, Calif. ($30,656), and Anchorage, Alaska ($29,973).

Augusta, Ga.-S.C., led in percentage growth with an increase of 7.1 percent. Eight metropolitan areas had declining pay rates from 1988 to 1989, with Kenosha, Wis., experiencing the largest decrease, 7.3 percent.

BLS data on average annual pay are compiled from federal and state UI payroll reports submitted by employers on 107 million full- and part-time workers, which make up 91 percent of the total work force.[2] Included in pay totals are bonuses, cash value of meals and lodging, tips and other gratuities, and employer contributions to certain deferred-compensation plans.

Major exclusions from these data include: most agricultural workers on small farms; all members of the military; most elected officials, railroad employees, domestic workers, and student workers at schools; employees of certain small, non-profit organizations; self-employed individuals; and all unpaid members of a family business.

—U.S. Department of Labor, Bureau of Labor Statistics; and DES, Research Administration

Table 1. **United States vs. Arizona Average Annual Pay, by Industry, for 1988 and 1989 and Percent Change[1]**

	Average Annual Pay 1989[2]	Average Annual Pay 1988	Pct. Change 1988-89[3]
United States			
Private Industry[4]	$22,268	$21,650	2.9%
Mining	35,787	34,341	4.2
Construction	25,213	24,433	3.2
Manufacturing	27,749	26,916	3.1
Transportation, Communications, and Public Utilities	28,912	28,206	2.5
Wholesale Trade	28,634	27,843	2.8
Retail Trade	12,283	11,965	2.7
Finance, Insurance, and Real Estate	28,303	27,691	2.2
Services	20,764	19,984	3.9
Government[5]	24,116	23,024	4.7
Arizona			
Private Industry[4]	$19,858	$20,242	1.9
Mining	34,027	35,890	-5.2
Construction	21,603	21,175	2.0
Manufacturing	28,404	27,441	3.5
Transportation, Communications, and Public Utilities	27,082	26,288	3.0
Wholesale Trade	25,660	24,642	4.1
Retail Trade	12,228	12,058	1.4
Finance, Insurance, and Real Estate	24,701	24,249	1.9
Services	18,988	18,516	2.5
Government[5]	23,602	23,022	2.5

Notes:

1. Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.
2. Data are preliminary.
3. Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.
4. Includes data for industries in addition to those shown separately.
5. State government data for certain Michigan agencies were estimated for the third and fourth quarters of 1989 and will be revised along with the national average.

Source: U.S. Department of Labor, Bureau of Labor Statistics, August 1990

Footnotes:

1. Metropolitan areas are defined as either metropolitan statistical areas (MSAs) or primary metropolitan statistical areas (PMSAs). An MSA is a city that has at least a population of 50,000 within its corporate limits, or contains a U.S. Bureau of Census-defined "urbanized area" of at least 50,000 in population and has a total population of at least 100,000. A PMSA is an area within an MSA that either was recognized as a separate Standard Metropolitan Statistical Area (SMSA) as of January 1, 1980, or which has a population of 100,000 with at least 60 percent of the population urban and less than 50 percent of the resident workers commuting to jobs outside the area.

2. Data on average annual pay are the product of a federal-state cooperative program in which state employment security agencies (SESAs) prepare summaries of employment and total pay of workers covered by unemployment insurance legislation. The summaries are a by-product of the administration of State Unemployment Insurance programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI.

Arizona Income Up 7.6% in '89; DIR Provides Push

Arizona's total personal income grew 7.6 percent in 1989, to $56.2 billion, according to preliminary data released in August by the U.S. Commerce Department's Bureau of Economic Analysis (BEA). The state's personal income growth was slightly higher than in 1988 (7.1 percent), but far below double-digit levels experienced between 1983 to 1985 when the state ranked near the top in the nation.

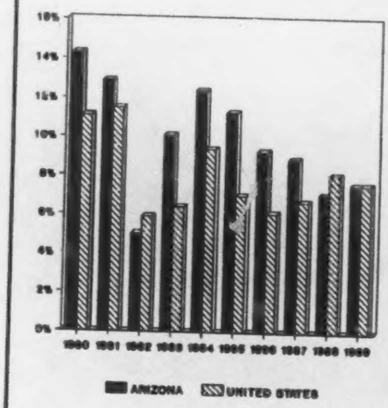
Total personal income includes: earnings by place of work[1] less personal contributions for social insurance and adjustments for residency; dividends, interest, and rent (DIR); and transfer payments .

Arizona's per-capita personal income, meanwhile, grew only 5.4 percent last year, giving the state the fourth-lowest growth rate in the country, tied with California. Per-capita personal income — total personal income of all residents divided by the state's population — rose from $14,148 in '88 to $15,802 in '89. Overall, Arizona's per-capital personal income ranks 29 in the nation and well below the national average of $17,596.

Growth in Arizona's personal income was hampered by sluggish manufacturing and construction sectors. High in-migration accounted for the even slower growth in per-capita personal income. The state had only a 5.0 percent growth rate in wages and salaries — "a low rate for a fast-growing state," says a BEA economist — that was nearly one percent behind the U.S. rate of 5.8 percent.

Of note in Arizona's 1989 personal income figures was the change in the mix of the three major components of personal income — net earnings by place of residence[2]; dividends, interest and rent (DIR); and transfer payments.

Figure 1. Arizona vs. U.S. Personal Income Growth Rates, 1980-1989



Source: U.S. Department of Commerce, Bureau of Economic Analysis, August 1990

Whereas between 1985 and 1988 net earnings by place of residence made up between 67.1 and 67.3 percent of total personal income in Arizona, in 1989 this category's share dropped to 65.3 percent. DIR, which had ranged between 17.8 and 18.3 percent of total personal income in those years, increased its share to 19.3 percent last year; and transfer payments, with ranges between 14.6 percent and 15.0 percent, made up 15.4 percent of personal income.

The percentage drop-off by net earnings by place of residence was due to sluggish growth of 4.4 percent in '89 — about half its average increase of 10.5 percent from '85 to '88. DIR, however, took up the slack by growing 17.2 percent — about double its average increase the previous four years. Transfer payments' growth rate of 10.3 percent was normal for the same time frame.

Rapid growth in DIR, which is still subject to major revision, can be accounted for by a more than one percent increase in short-term interest rates and a 12.3 percent increase in corporate dividends in 1989. However, net earnings by place of residence, which isn't likely to see much revision, dropped sharply despite the fact that Arizona's wage and salary employment grew faster in '89 (2.7 percent) than in '88 (2.4 percent). (Income from wage and salary employment makes up 80 percent of net earnings by place of residence.)

Two possible explanations for this phenomenon are that more of the jobs being created are part-time positions, and that a large percentage of newly created full-time jobs are paying relatively low wages.

The latter can be confirmed by looking at an industry breakdown of Arizona's personal income. By far, the largest growth in personal income in '89 was in the service-producing sector, which tends to pay workers less than the goods-producing sector.

Major industry groups in Arizona that showed significant personal income growth last year were: services (10.0 percent); wholesale trade (7.8 percent); transportation, communications, and public utilities (6.5 percent); and government (6.5 percent). Groups that had slow or negative personal income growth were: manufacturing (3.7 percent), construction (0.0 percent) and mining (-1.0 percent).

—Brent Fine
Arizona LMI Newsletter Editor

Footnotes:

[1] Earnings by place of work = wages and salaries, other labor income, and farm and non-farm proprietorship income.

[2] Net earnings by place of residence = earnings by place of work, less personal contributions for social insurance, plus an adjustment for residency.

New Voc Ed Law Puts Emphasis on Needy Students

In late September, President Bush signed into law a revamped vocational education law that broadly expands voc ed training with an emphasis on high-tech programs; puts more emphasis on vocational education in schools, in particular needy students; and focuses on disadvantaged groups such as the poor, handicapped, displaced homemakers, and prison inmates.

At the same time, the Carl D. Perkins Vocational/Applied Technology Education Act slightly increases funding for voc ed programs (although it could be downsized by the current budget crisis), but decreases the percentage of state administrative funding — from 7 to 5 percent — that is primarily used for training workshops. The workshops are "key to implementing new programs, particularly in high-tech areas," says Madelyn Hemmings, a national voc ed official who was quoted in *Vocational Training News*, a weekly report on voc ed training and education.

The Perkins' law, which reauthorizes voc ed funding for five years, also only gives educators in each state a short window — May 1, 1991 — to prepare plans for implementing the new law. (Most voc ed officials had expected two years to prepare for the new legislation.) But on whole, most educators are pleased with the direction and emphasis of the new legislation, *Vocational Training News* says in its Sept 27 issue.

Table 1. Key Provisions of New Voc Ed Legislation

- ✓ Changes in-state funding formula to give more control to local school districts
- ✓ Requires that 70 percent of school funding be directed toward special-needs students
- ✓ Reduces from 43 percent to 8.5 percent funding for state set-aside programs
- ✓ Gives additional funding for career counseling
- ✓ Mandates in-prison programs that stress applied academics for juveniles and adults

Provisions of the new Perkins' law include:

- Increasing annual funding from $950 million to $1.6 billion, (although this amount is expected to be reduced to about $1 billion because of budget cuts), of which 85 percent is authorized for state grants.

- Radically changing the in-state funding formula, giving more local control by *requiring* 75 percent of grants go to school districts and postsecondary institutions. Of this amount, 70 percent must be awarded to school districts based on their number of students eligible for Chapter 1 services for economically disadvantaged children. (Previously, only 22 percent of all state funding was set aside for special-needs students.)

- Reducing from 43 percent to 8.5 percent funding for state set-aside program improvements (i.e., pilot programs), while maintaining about the same percentage of funding for other disadvantaged areas — displaced-homemakers and single-parents (7 percent); sex-equity for females, ages 14 to 25 (3 percent); and prisons (1 percent).

- Requiring state plans to emphasize a broad student understanding of technology and demonstration of problem-solving skills, and provide access and high-quality service to the poor, handicapped, and limited-English proficient students. The new law also mandates that students be taught about occupations and local industry, and requires the state plan to take into consideration regional labor needs.

- Allocating additional federal funding for equipment and voc ed improvements in economically distressed areas, setting up apprenticeship training and developing industry-competency standards, and establishing an electronic network to provide data and technical assistance to states and local areas.

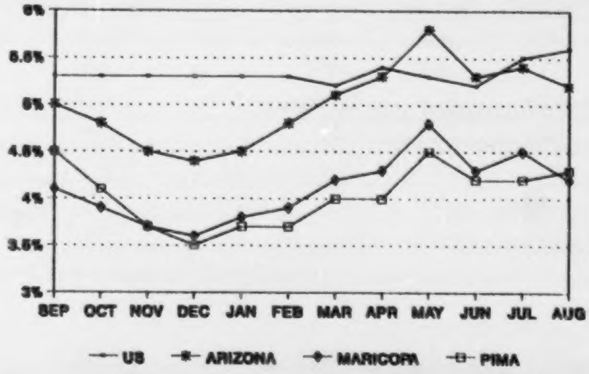
- Giving additional funds for the National Occupational Information Coordinating Committee (NOICC) for career counseling and tracking voc ed student's wages by geographic region. (This state's NOICC counterpart, the Arizona Occupational Information Coordinating Committee (ASOICC), currently provides occupational and career information on a microcomputer data base (MICRO OIS) to more than 100 high schools, most community colleges, and other educational and job-development facilities throughout the state.)

- Mandating in-prison programs that stress applied academics for juveniles and adults, and establishing an Office of Correctional Education within the U.S. Depart-

(Continued on page 12)

The Arizona Labor Force in August

Figure 1. **U.S., Arizona, and Maricopa and Pima Counties Unemployment Rates, September 1989-August 1990**



Source: *U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economiic Security, Research Administration*

Arizona's seasonally adjusted unemployment rate dipped two-tenths of a percent to 5.2 percent in August.

The drop was a result of two factors. One, the number of unemployed decreased 6.1 percent to 97,700, a fairly normal occurrence in the fall because of transitory employment in schools. Secondly, total employment increased a nominal 1,800. The net effect of these two events was a decrease of 4,600, to 1,725,000, in the total civilian labor force.

The unemployment rate for the nation in August increased from 5.5 percent to 5.6 percent, while Maricopa County's unemployment rate decreased to 4.2 percent and Pima County's rate increased to 4.3 percent.

Arizona's total wage and salary employment increased 5,700, to 1,474,600, last month. Although this increase was 600 less than the post-recession average, wage and salary employment is still up a fairly robust 3.7 percent over August 1989.

Government employment was the major contributor to the overall gain, with a surprising construction sector also posting healthy job increases. And with the exception of services and manufacturing, all industries experienced employment gains in August — all in all, a fairly normal month.

Government increased 3,400 jobs in August and has expanded 5.4 percent over August 1989. School employment surged as teachers and support personnel went back to work for the fall semester.

Although construction gained 1,000 jobs last month — only 100 less than the normal August gain — this sector's employment is still 2.3 percent below a year ago's levels. When compared with the losses experienced in construction the previous three years, however, it is obvious that the rate of decrease has slowed substantially.

Employment in mining increased 500 in August, a substantial gain. However, the jump is a result of striking miners returning to work, not actual hiring. Since August 1989, mining employment has increased 4.1 percent.

Trade employment, which increased a seasonal normal 600 last month, is up 3.5 percent over last year. Department and automotive stores experienced normal gains for the month, while food stores and eating and drinking places had seasonal declines.

Finance, insurance, and real estate (FIRE) added 600 jobs in August, 100 above the normal increase for the past eight Augusts. However, FIRE employment is up only 2.7 percent over August 1989.

Transportation, communications, and public utilities (TCPU) gained 200 jobs in a month where employment normally declines. TCPU employment has expanded 4.4 percent since last August. But over the next few months, the much publicized layoffs at Arizona Public Service Co. may dampen this sector's growth rate.

Manufacturing employment again remained stagnant. A shift of 300 jobs from durable goods to non-durable goods left this industry unchanged for the month. Overall, manufacturing employment is up 0.6 percent over last August.

Finally, services employment declined by 600, twice the normal August decrease. All subindustries — hotels and motels, business services, health services, and "other services" — lost employment. However, services has expanded a healthy 6.1 percent since August 1989.

All in all, Arizona's economy held to the earlier track forecast. Except for expected seasonal losses, employment continued to expand at moderate rates.

—Marc A. Marra
RA Economist

Arizona Labor Force and Employment

October 1990 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				Amount Change					Amount Change					Amount Change	
	Sep.* 1990	Aug. 1990	Sep. 1989	Aug. - Sep.	1989 - 1990	Sep.* 1990	Aug 1990	Sep. 1989	Aug. - Sep.	1989 - 1990	Sep.* 1990	Aug. 1990	Sep. 1989	Aug. - Sep.	1989 - 1990
TOTAL CIVILIAN LABOR FORCE**	1747.2	1725.7	1698.5	+21.5	+48.7	1079.3	1073.0	1052.8	+6.3	+26.5	317.4	313.6	314.5	+3.8	+2.9
Total Unemployment	89.2	97.3	88.7	-8.1	+0.5	43.6	46.8	45.6	-3.2	-2.0	12.3	12.8	15.0	-0.5	-2.7
Rate	5.1	5.6	5.2	—	—	4.0	4.4	4.3	—	—	3.9	4.1	4.8	—	—
Rate (Sea. Adj.)***	4.9	5.2	5.0	—	—	3.8	4.2	4.1	—	—	3.7	4.0	4.5	—	—
Total Employment	1658.0	1628.4	1609.8	+29.6	+48.2	1035.7	1026.2	1007.2	+9.5	+28.5	305.1	300.8	299.5	+4.3	+5.6

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
	Sep.* 1990	Aug. 1990	Sep. 1989	Aug. - Sep.	1989 - 1990	Sep.* 1990	Aug 1990	Sep. 1989	Aug. - Sep.	1989 - 1990	Sep.* 1990	Aug. 1990	Sep. 1989	Aug. - Sep.	1989 - 1990
TOTAL WAGE AND SALARY	1510.1	1477.1	1461.9	+33.0	+48.2	994.9	977.1	962.0	+17.8	+32.9	255.5	249.6	249.6	+5.9	+5.9
Manufacturing	188.1	188.8	188.0	-0.7	+0.1	139.1	139.3	139.8	-0.2	-0.7	27.0	27.1	27.2	-0.1	-0.2
Durable Goods	141.8	142.8	142.4	-1.0	-0.6	106.4	106.8	107.1	-0.4	-0.7	21.4	21.5	21.8	-0.1	-0.4
Stone, Clay, and Glass	7.3	7.4	7.6	-0.1	-0.3	4.4	4.5	4.7	-0.1	-0.3					
Primary and Fabricated Metals	15.6	15.7	15.6	-0.1	0.0	10.5	10.5	10.6	0.0	-0.1					
Primary Metals	7.8	7.8	7.6	0.0	+0.2										
Fabricated Metals	7.8	7.9	8.0	-0.1	-0.2										
Machinery	58.0	58.4	59.8	-0.4	-1.8	47.5	47.9	49.4	-0.4	-1.9					
Aircraft and Missiles	27.6	27.5	26.1	+0.1	+1.5										
Lumber and Wood Products (Excluding Furniture)	7.8	8.0	7.6	-0.2	+0.2										
Nondurable Goods	46.3	46.0	45.6	+0.3	+0.7	32.7	32.5	32.7	+0.2	0.0	5.6	5.6	5.4	0.0	+0.2
Food and Kindred Products	10.5	10.4	9.8	+0.1	+0.7	6.9	6.9	6.4	0.0	+0.5					
Printing and Publishing	16.9	16.8	16.5	+0.1	+0.4	12.2	12.0	11.9	+0.2	+0.3					
Mining and Quarrying	12.8	12.9	12.3	-0.1	+0.5	0.9	0.9	1.0	0.0	-0.1	2.3	2.2	2.1	+0.1	+0.2
Copper Mining	9.8	9.9	9.4	-0.1	+0.4										
Construction	85.1	85.7	87.9	-0.6	-2.8	56.7	57.0	58.6	-0.3	-1.9	14.7	14.8	15.2	-0.1	-0.5
Trans., Communications, & Public Utilities	80.8	80.8	76.9	0.0	+3.9	57.2	56.9	53.7	+0.3	+3.5	9.7	9.7	9.6	0.0	+0.1
Transportation	45.5	45.3	41.7	+0.2	+3.8	34.3	33.9	31.0	+0.4	+3.3	5.0	5.0	4.9	0.0	+0.1
Communications and Public Utilities	35.3	35.5	35.2	-0.2	+0.1	22.9	23.0	22.7	-0.1	+0.2	4.7	4.7	4.7	0.0	0.0
Trade	376.0	372.7	364.0	+3.3	+12.0	253.3	250.8	244.0	+2.5	+9.3	59.5	58.8	58.8	+0.7	+0.7
Wholesale Trade	78.1	77.3	73.9	+0.8	+4.2	62.7	62.1	59.2	+0.6	+3.5	7.8	7.7	7.8	+0.1	0.0
Retail Trade	297.9	295.4	290.1	+2.5	+7.8	190.6	188.7	184.8	+1.9	+5.8	51.7	51.1	51.0	+0.6	+0.7
General Merchandise and Apparel	45.9	45.5	43.9	+0.4	+2.0	28.8	28.5	27.5	+0.3	+1.3	6.9	6.9	6.7	0.0	+0.2
Food Stores	48.6	47.8	48.8	+0.8	-0.2	31.2	30.5	31.1	+0.7	+0.1	7.8	7.8	8.1	0.0	-0.3
Automotive and Service Stations	36.4	36.6	35.6	-0.2	+0.8	23.1	23.3	22.6	-0.2	+0.5	5.8	5.8	5.8	0.0	0.0
Eating and Drinking Places	105.5	104.3	102.2	+1.2	+3.3	66.7	65.8	64.3	+0.9	+2.4	19.7	19.3	19.2	+0.4	+0.5
Finance, Insurance, and Real Estate	95.6	95.5	93.0	+0.1	+2.6	77.0	76.8	74.5	+0.2	+2.5	11.5	11.5	11.3	0.0	+0.2
Services and Miscellaneous	409.1	406.8	388.8	+2.3	+20.3	275.8	273.9	261.6	+1.9	+14.2	74.7	74.1	71.6	+0.6	+3.1
Hotels and Lodging Places	45.4	44.9	41.9	+0.5	+3.5	28.0	27.4	25.1	+0.6	+2.9	6.4	6.4	6.0	0.0	+0.4
Business Services****	75.8	75.9	73.8	-0.1	+2.0	60.7	60.8	59.4	-0.1	+1.3	10.5	10.4	10.2	+0.1	+0.3
Health Services	101.7	101.3	96.4	+0.4	+5.3	65.9	65.6	62.6	+0.3	+3.3	22.0	21.9	20.9	+0.1	+1.1
Government	262.6	233.9	251.0	+28.7	+11.6	134.9	121.5	128.8	+13.4	+6.1	56.1	51.4	53.8	+4.7	+2.3
Federal	47.7	47.8	45.7	-0.1	+2.0										

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

Note: Prepared by Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
August 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	13,175	37,200	46,500	13,100	8,350	2,925	6,075
Total Unemployment	2,475	2,100	3,150	1,125	550	200	450
Rate	18.8%	5.6%	6.8%	8.6%	6.6%	6.8%	7.4%
Rate (Seas. Adj.)**	17.1%	6.0%	6.4%	8.8%	6.1%	7.0%	6.4%
Total Employment	10,700	35,100	43,350	11,975	7,800	2,725	5,625

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
TOTAL WAGE AND SALARY	13,875	26,225	42,950	11,425	4,975	2,875	3,775
Manufacturing	775	1,450	3,600	1,550	225	25	250
Mining & Quarrying	50	175	325	1,350	0	1,750	75
Construction	375	750	1,950	425	150	100	200
T.C.P.U.	1,975	1,875	2,825	450	150	50	125
Trade	1,975	5,825	10,400	2,725	1,375	250	1,250
F.I.R.E.	425	675	725	325	125	25	100
Services & Misc.	4,575	5,375	12,075	2,325	875	150	1,050
Government	3,725	10,100	11,050	2,275	2,075	525	725

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,650	27,425	38,400	12,325	41,375	53,350
Total Unemployment	2,050	3,400	3,000	2,400	1,875	15,625
Rate	5.3%	12.4%	7.8%	19.5%	4.5%	29.3%
Rate (Seas. Adj.)**	5.3%	11.5%	7.1%	17.5%	4.9%	17.8%
Total Employment	36,600	24,025	35,400	9,925	39,500	37,725

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	27,100	21,700	28,200	10,450	28,300	27,800
Manufacturing	2,550	2,100	3,900	1,000	2,250	2,700
Mining & Quarrying	50	1,200	3,750	0	900	75
Construction	3,350	1,450	550	375	2,825	1,475
T.C.P.U.	1,200	1,675	1,075	700	1,125	900
Trade	8,600	4,600	5,875	4,400	7,925	8,000
F.I.R.E.	1,250	450	875	300	975	925
Services & Misc.	6,350	5,875	4,600	1,900	7,250	6,625
Government	3,750	4,350	7,575	1,775	5,050	7,100

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Aug.* 1990	July 1990	Aug. 1989	Aug.* 1990	July 1990	Aug. 1989	Aug.* 1990	July 1990	Aug. 1989
Manufacturing	415.27	416.52	408.59	40.2	40.4	40.9	10.33	10.31	9.99
Aircraft & Missiles	647.52	662.16	614.14	45.6	46.5	44.6	14.20	14.24	13.77
Food & Kindred Prod.	352.04	358.70	350.24	39.6	39.9	41.4	8.89	8.99	8.46
Primary Metals	515.82	523.64	509.52	37.9	38.0	37.3	13.61	13.78	13.66
Machinery	362.70	351.22	395.81	37.2	36.7	39.7	9.75	9.57	9.97
Copper Mining	563.22	571.56	564.88	42.0	43.3	44.2	13.41	13.20	12.78
Construction	451.98	461.52	435.98	37.2	38.3	37.2	12.15	12.05	11.72
Utilities	711.75	699.20	710.77	43.8	43.7	44.9	16.25	16.00	15.83
Retail Trade**	262.35	264.47	255.53	33.0	33.1	33.8	7.95	7.99	7.56
Wholesale Trade	382.08	390.78	372.49	38.4	39.0	38.6	9.95	10.02	9.65

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Aug.* 1990	July 1990	Aug. 1989	Aug.* 1990	July 1990	Aug. 1989	Aug.* 1990	July 1990	Aug. 1989
Manufacturing	431.90	447.49	425.99	40.9	41.9	41.0	10.56	10.68	10.39
Construction	461.90	469.68	455.04	37.1	38.0	37.7	12.45	12.36	12.07
Retail Trade**	275.22	274.23	268.49	33.4	33.2	33.9	8.24	8.26	7.92
Wholesale Trade	389.18	398.87	389.16	37.1	37.7	38.8	10.49	10.58	10.03

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Aug.* 1990	July 1990	Aug. 1989	Aug.* 1990	July 1990	Aug. 1989	Aug.* 1990	July 1990	Aug. 1989
Manufacturing	353.56	357.27	364.10	37.1	37.1	38.9	9.53	9.63	9.36
Construction	384.49	389.39	386.53	35.7	36.7	37.6	10.77	10.61	10.28
Utilities	650.36	641.49	599.68	42.9	41.9	41.3	15.16	15.31	14.52

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs

August 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,725,055	1,627,309	97,746	5.7%
Apache	13,166	10,700	2,466	18.7
Cochise	37,196	35,088	2,108	5.7
Coconino	46,501	43,346	3,155	6.8
Gila	13,114	11,978	1,136	8.7
Graham	8,338	7,793	545	6.5
Greenlee	2,932	2,724	208	7.1
La Paz	6,077	5,630	447	7.4
Maricopa	1,072,746	1,026,282	46,464	4.3
Mohave	38,638	36,595	2,043	5.3
Navajo	27,438	24,026	3,412	12.4
Pima	313,472	300,586	12,886	4.1
Pinal	38,393	35,404	2,989	7.8
Santa Cruz	12,318	9,919	2,399	19.5
Yavapai	41,371	39,508	1,863	4.5
Yuma	53,356	37,730	15,626	29.3

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

(Continued from page 6)

ment of Education to coordinate prisoner programs. (One percent of Arizona's funding is currently being used for prison programs in Florence and Perryville.)

Barbara Border, Arizona Department of Education deputy superintendent and state director of Vocational/Technological Education, says it's clear the emphasis of the new Perkins' legislation is to keep special-needs populations in school and getting them prepared for the work force. Border, who points out that the Perkins' authors tailored the bill for students in large inner-city schools, says the legislation "has less to do with training and more to helping needy populations."

With the change in the law's direction, two possible fallouts in Arizona are that a small percentage of students may benefit from funding — because of Chapter 1 requirements — and there may be insufficient funding for new Perkins' programs, Border says. More will be known after state officials attend national meetings in the coming months.

At the same time, the state Legislature's passage of a voc ed bill earlier this year may cushion some of Perkins' effects. In addition to creating a new State Board of Technological Education, the law appropriated $2 million for pilot programs and training for local education agencies, and requires an integrated plan for statewide vocational/technological education that would include a proposal to tax employers for funding voc ed programs.

—DES, Research Administration

Footnotes:

1. Chapter 1 of Title 1 of the Elementary and Secondary Education Act of 1965.

NEWS IN BRIEF

IRCA Task Force Calls for More Probes of Hiring Bias

Following are brief summaries of news stories compiled from a variety of sources relating to labor issues affecting the nation and Arizona.

A special administration task force recommended in late September that the Justice Department be given additional power and funding to investigate discrimination complaints caused by employer sanctions provisions of the Immigration Reform and Control Act of 1986 (IRCA), according to an article in the October 4 issue of *Immigration Policy & Law*.

The task force, however, resisted calls by ethnic and civil rights groups to repeal IRCA's controversial employer sanctions, which a General Accounting Office (GAO) report released in March said led to a "widespread patterns of discrimination." (See "Reports Give Employer Sanctions Mixed Reviews," *Arizona LMI Newsletter*, June 1990)

IRCA made it illegal for employers to hire illegal aliens, but also prohibited businesses from discriminating against job seekers because they may appear or sound foreign. The immigration law set up an Office of Special Council under the Justice Department to investigate discrimination complaints and left open the door for Congress to repeal employer sanctions if a GAO study determined they caused discrimination.

The task force, which also recommended that the U.S. Department of Labor (DOL) increase its role in enforcement of employer sanctions — balancing the function of the U.S. Immigration and Naturalization Service — did not take a stand for keeping or removing employer sanctions. Among recommendations it made were:

- Making penalties for discrimination equal to those for hiring illegal aliens.
- Reducing the number of documents required to verify a worker's identity and employment eligibility.
- Tightening requirements for attorney's fees on discrimination complaints, in order to cut down on the number of frivolous complaints by disgruntled employees or job applicants.

DOT Could Receive Revisions

According to an Aug. 10 notice in the *Federal Register*, the DOL is considering revising its *Dictionary of Occupational Titles (DOT)*, which has not been updated since 1977. Published since 1939, *DOT* defines and classifies nearly 13,000 occupations and is used by a wide variety of public and private officials in career counseling, personnel management, and employment placement.

A Labor Department advisory committee, made up of representatives from government, vocational training, education, and members of the private sector, will study proposed revisions and make recommendations for an updated publication.

Additional information on this subject is available by writing: Robert Schaerfl, director of the Labor Department's Employment and Training Administration, 200 Constitution Ave. N.W., Room N-4470, Washington D.C. 20210; or calling (202) 535-0167.

Businesses Cut Off Labor Shortages at Pass

While DOL's Bureau of Labor Statistics is currently conducting a pilot study to determine ways to identify labor shortages before they occur, a Portland, Ore., hospital and the state of Nebraska are implementing ideas that appear to be keeping potential shortages at arm's length.

According to an article in *Employment & Training Reporter*, Good Samaritan Hospital has instituted several procedures to cut down on possible nursing shortages. These include: hiring an R.N., instead of a human resources person, to recruit nurses; creating a training program for specialties, such as critical care; cross-training workers so that when there is a shortage in one area, another person can fill in, alleviating overtime and burnout; allowing nurses to provide more input into decision-making; and reimbursing nurses for certification costs.

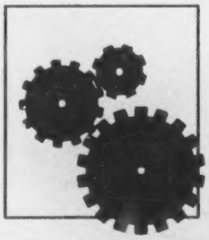
Good Samaritan, which employs 800 nurses out of its work force of 2,600, has a less than 1 percent vacancy rate for nurses when 10.6 percent is the national average.

Nebraska, which has the lowest unemployment rate in the country (2.2 percent in July), decided to prepare for possible labor shortages by holding a conference for state Employment Security (ES) and business officials. Out of the meeting focus groups were held at Employment Service (ES) offices. From those discussions came 1,300 proposals, which were narrowed down to 90 specific ideas that DOL, educators, ES offices, communities, and businesses could use to hold off expected labor shortages.

Among the suggestions were: forgiving student loans of workers in needed occupations; finding ways to convince Nebraska high school graduates to stay in-state; becoming more sensitive to the needs of minorities in the community and workplace; and providing tours of companies.

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.



MANUFACTURING — By early September, **Lockheed Aeromod Center Inc.** had received about 1,500 unsolicited applications for positions at its planned **235,000-square-foot aircraft maintenance and modification facility** near Tucson International Airport. Lockheed, which will officially take applications in October, expects to initially employ about 185 workers and possibly 1,000 within three years. The company's major needs will include sheet-metal, air-frame, and power-plant mechanics, along with avionics workers.

Employment at **Honeywell Inc's. Satellite Systems Operations** in Glendale has gone up more than one-third since January — increasing from 400 to 1,100 — and should expand by 40 to 50 more positions before the year ends. Fueling Honeywell's job additions is work on National Aeronautics and Space Administration contracts, particularly the Space Station Freedom.

CONSTRUCTION — Phoenix developer Evans Withycombe Inc. has begun construction on **Scottsdale Horizon, a 276-acre master-planned community** in north Scottsdale that will feature apartments, multifamily housing, and single-family units. The $150 million development, located between 94th Street and the Central Arizona Project canal just north of Thunderbird Road, will provide a disproportionate number of apartments, townhomes and condominiums to handle the demand by workers at the nearby Scottsdale Airpark, Mayo Clinic Scottsdale, and Scottsdale Princess hotel.

Giant Industries Inc. has begun work on **125,000-square-foot, Safeway-anchored shopping center** in north Scottsdale. A 13,000-square-foot drug store, a fast-food restaurant, a bank and other smaller shops are planned for the retail center next to Giant's new headquarters at Pinnacle Peak and Scottsdale roads.

TRADE — Los Angeles-based **Smart & Final**, which operates a national chain of warehouse grocery stores, was expected to open **three outlets in the Phoenix metropolitan area** in October. Smart & Final, which deals primarily with food-service companies, restaurants, and small businesses, opened a store in Bullhead City in July. The Phoenix locations are at 2742 E. Indian School Road and 7750 N. 35th Ave., while the Scottsdale store is at 2441 N. Scottsdale Road. No details on employment were made available.

As many as 1,000 jobs may be created in the Valley if **Dillard Department Stores Inc.** follows through on tentative plans to move its national credit-card operation to Arizona. In September, the Little Rock, Ark.-based retailer took the initial step in bringing a credit-card center to Phoenix when it filed papers to set up special-purpose bank at a Dillard store in MetroCenter, where the operation would be run.

Los Angeles-based **RB Furniture** says it plans to open a **regional warehouse and two additional stores** in Phoenix. RB says it has leased a 128,000-square-foot facility at 229 S. 49th Ave. that will initially employ 50 people to service its Arizona outlets and one Albuquerque store. Locations and times for opening the two new outlets were not announced.

Talk about flooding the market. Since January, Chandler entrepreneur Chuck Harris has opened **16 Water 'n Ice stores** in shopping centers throughout the Phoenix metropolitan area. The retail outlets, which average 1,000 to 1,200 square feet and feature equipment that can process about 1,500 gallons of water a day, offer purified water, ice, and soft drinks. Harris has expanded his chain of stores to California — he eventually wants to have 200 outlets — and believes public concern about drinking water will lead to that growth.

Jack in the Box opened **five fast-food restaurants** in Arizonan — four in the Phoenix area — in late September, bringing to 75 the number of locations in the Valley. Three of the new Jack in the Box stores are in Phoenix — 1902 W. Buckeye Road, 2010 E. Thunderbird Road, and 1001 N. 24th St; one in Tempe — 901 E. Curry Road; and one in Cottonwood.

Fast Foto Inc., a Phoenix-based, photo-developing company

has filed for protection under Chapter 11 of the federal bankruptcy code, but does not expect a major shutdown of its 101 stores in four states, including 68 in Arizona. Fast Foto, which has about 300 employees, says it expanded too rapidly and needs to reorganize in order to pay off its creditors.

SERVICES —Samaritan Health Services expects to increase profits at Good Samaritan Regional Medical Center by **eliminating 250 positions** — 85 full-time and 97 part-time — leaving the facility with about 2,900 employees. Samaritan, which recently reduced its corporate staff 24 percent (766 employees), is expected to announce the move in October. Arizona's largest hospital provider, Samaritan says filled and unfilled positions in management and support personnel will be affected.

A fallout in the real estate and savings and loan industries has caused about a **20 percent drop in employment** in the past year by the Valley's **"Big 6" accounting firms**. Not immune to the downsizing have been professional-level partners, who have been bought out or asked to take early retirement. An estimated 15 to 20 partners have been eliminated.

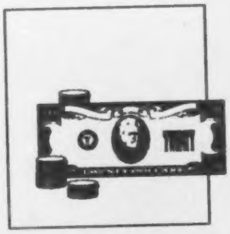
TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES — The state's largest utility, **Arizona Public Service Co.** (APS), says it will **eliminate 1,125 positions** through layoffs, retirement and unfilled vacancies. The cutbacks, which represent about 20 percent of its current work force of about 5,000 (not including the Palo Verde Nuclear Generating Plant), are part of plans to reduce long-term capital expenditures in order to allow APS to lower requests for rate increases. APS, a subsidiary of Pinnacle West Corp., had reduced its labor force by 1,500 over the past two years.

Reacting to APS's plans, **Salt River Project** says it will **cut capital spending $675 million** over the next five years in an effort to limit utility-rate increases to 2 percent a year. SRP, which has about 5,000 employees, says the cutbacks will lead to an undetermined number of layoffs and job eliminations.

Two Phoenix-based airlines announced major expansion plans in early October. **America West Airlines** says it will buy $5 billion worth of the French-made Airbus aircraft over the next 15 years as it prepares to service numerous eastern U.S. cities. The purchase of 118 Airbus A-320s, along with the planned acquisition of the Pan Am Shuttle, will **create 7,000 new jobs** by the year 2000. Meanwhile, **Stateswest Airlines** plans to acquire four Boeing de Havilland Dash 8 aircraft for new routes in California. StatesWest, which operates as a feeder airline for USAir, says it expects **to add 1,000 employees** to its current work force of 178 within the next three years.

Southwest Airlines is expected to **add 60 reservation agents** in the coming months, and other additional employees may be hired when the Dallas-based airline moves into Terminal 4 at Sky Harbor International Airport in November. With the new reservation agents, Southwest will have 365 workers in the Phoenix area.

Tucson received some well-deserved, good news when **American Airlines** announced it is **bumping up — from 500 to 1,000** — the number of people it expects to employ at a reservations center its opening in May at the Airport Commerce Center. American says 300 workers will transfer from the Los Angeles area, where the reservations center is currently located, while the rest will be hired locally.



FINANCE, INSURANCE AND REAL ESTATE — **Bank of America Arizona**, a subsidiary of BankAmerica Corp. of San Francisco, quickly became the state's second largest financial institution when its $92 million offer **to take over Phoenix-based MeraBank** was accepted in September by the Resolution Trust Corp. Bank of America, which acquired the failed Western Savings and its 61 statewide branches in May, picked up MeraBank's 66 Arizona branches, bringing its total deposits in the state to $6.7 billion, second only to Valley National Bank's $9.3 billion. Employment of former MeraBank workers could be affected, but no details have been released.

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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XIV No. 11
November 1990

Unemployment Rate

Seasonally Adjusted
September *

ARIZONA	–	4.9%
Maricopa Co.	–	3.8
Pima Co.	–	3.7
United States	–	5.7

Consumer Price Index

U.S. – September 1990
Base = 1982-84

Wage Earner/Clerical Worker	–	131.1
% Chg. Year Ago	–	6.1
All Urban	–	132.7
% Chg. Year Ago	–	6.2

Phoenix – 3rd Qtr 1990
Base = 1982-84

All Urban	–	133.8
% Chg. Year Ago	–	5.4

Tucson – 3rd Qtr 1990
Base = 1982-84

All Urban	–	131.3
% Chg. Year Ago	–	4.7

* Preliminary

Networking

Arizona Professionals Band Together to Speed Re-Entry Into Work Force

Inside This Issue **Page**

Networking Group Aids Unemployed Professionals 2
Valley Rates High on Growth Projections 5
Labor Department Names "Surplus Areas" 6
Pilot Program Attempts to Save Arizona Jobs 6
The Arizona Labor Force in August 7
Arizona Labor Force Statistics 8
News in Brief 13
New Developments 14

DES Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Networking Group Offers Support, Job Leads, to Professionals

The following article is the first in a two-part series on the changing role of Arizona's Job Service. Additional stories will follow in the January 1991 issue of the *Arizona LMI Newsletter*.

> *"Most of us operate under the illusion that a professional job is secure and then find out it's just an illusion. It's very, very heartening to find other people in a similar situation who are able to give support."*
>
> —*Lidy Bjornstad*

"How much material should you include in a resume?" an unemployed worker asks a panel of four human-resource experts.

"You're writing an ad for yourself. Don't put anything in there that will hurt you," a panelist replies. "The object is to get an interview."

"How do you handle salary? Should you put down your expectations in a cover letter or resume?" another audience member asks.

"It's best not to mention salaries," a panelist answers.

"I'm convinced there is something called age discrimination," an unemployed man who looks to be in his mid-50s says rhetorically.

A chuckle comes from the audience of about 75 out-of-work Valley residents.

"Don't put down a date of birth or year graduated from college," a panelist replies.

After about an hour the question-and-answer session ends, and the panelists begin to mingle with the unemployed workers who had gathered in a church basement next door to the Job Service office in north Phoenix. Now it was the group of experts' turn to ask questions. It was time to end their roles as advisors and get back to the task at hand — finding a job for themselves — after doing their part to help fellow members of the Arizona Professional Employment Network.

More commonly known by its acronym, AzPEN, or the PEN Group, the volunteer, self-help organization's primary purpose is to provide job leads through networking, as well as emotional and job-search support, to unemployed salaried and professional workers. And as the just-related example shows, the latter two reasons are a major emphasis of the group, as members are frequently called upon to help their out-of-work cohorts.

Ex-Floridian Helped Start AzPEN

A no-fee service, AzPEN started about a year ago after an out-of-work, ex-Floridian approached the manager of programs and methods for the Arizona Department of Economic Security's Employment and Training Administration (ETA), Rick Marcum, about starting an organization similar to one in his former state. Shortly after moving to Arizona, "the first thing I thought of was networking," says Mike Smith. "I knew it (AzPEN) would help the people and I realized the (Job Service) intake workers were frustrated and they couldn't help people in suits."

In addition, Smith was well aware from his experience in Florida that a self-help networking group for professionals also needed to provide emotional support — much like the well publicized 12-step programs — to members dealing with the traumatic experience of losing a job, particularly those who had been laid off after many years with a company. "One aspect (of AzPEN) is the networking, the other aspect is supporting," says Smith, who is now employed as a computer systems project leader by the Arizona Health Cost Containment System.

Marcum, who oversees policies and procedures for Job Service, saw several positive aspects of Smith's proposal from the Employment Service point of view. First, it could be a way to fill a void in Arizona's job-exchange function — by helping professional workers (particularly those in the 45- to 55-year-old range) who had seen few opportunities in Job Service's placement program. At the same time, the group could improve the job-placement image of Job Service among some employers reluctant to give job orders for higher-paying positions. And the group would require little expense, but could provide a high-impact function.

With the implementation of Arizona Redirect in 1985 — a Job Service plan to emphasize the placement of individuals with the most barriers to employment (i.e., poor, handicapped) — "professional-level job seekers and employers interested in hiring professionals have utilized Job Service less and less over the years," Marcum says. "AzPEN provides employers with an alternative resource to reach unemployed professional, managerial, and technical personnel."

It took a few months before Marcum cleared the necessary bureaucratic channels to start the networking group. Besides getting the approval of officials in DES, which oversees Job Service, Marcum wanted to make sure there wouldn't be problems with a state law that prohibits Job Service from competing against for-profit employment agencies.

In order to avoid any potential conflicts, DES decided that Job Service would only provide limited support to AzPEN — desk space, phones, access to copiers — and a part-time staff person overseeing the group. (An article discussing Arizona's non-competition law will be published in the January issue of the *Arizona LMI Newsletter*.)

Literally functioning on a shoestring budget, AzPEN currently operates in two Job Service offices — north Phoenix (9801 N. 7th St. and Mesa (7 S. Hibbert St.) — with volunteers handling incoming phone calls and screening applicants. But most of the grunt work of this fledgling group — marketing, planning programs, updating membership and job lists — is done at home and at weekly membership meetings, and to a lesser extent at more specialized meetings and monthly socials. All at members' expense.

"There's no budget, no money, it's all done on the people," says Lidy Bjornstad, president of the north Phoenix chapter of AzPEN and a public relations professional who has been a member since April. "Job Service allows us access to basic office needs — desk, phone, and paper clips."

AzPEN Member Screens Applicant

To join AzPEN, prospective members must fill out an application in person at Job Service. An AzPEN member will screen the person and application, and together they make a decision whether the person should join the group. Prospective members are then required to attend an orientation program prior to one of AzPEN's regular weekly meetings.

Originally, the PEN Group required that a member have earned a minimum of $25,000 and worked in a professional or managerial position for five years. But Bjornstad says now "anybody who feels they would benefit from the group" can join, although hourly wage earners are warned they probably would not find the group beneficial. Also, while AzPEN is primarily made up of the unemployed, the group is also open to the underemployed or anyone who is seeking a professional or managerial position.

At a recent meeting, a panel of human-resource experts fields questions from members of the Arizona Professional Employment Network group of north Phoenix.

Like the business world, AzPEN's success is dependent upon the productivity of its members. To maintain an active status in AzPEN, members are required to either volunteer for one-half day of phone duty every two months, join one of the group's four committees, or take on a special project (e.g., updating a mailing list).

At a recent meeting about 25 attendees are warned to hold off joining unless they're willing to perform phone duty or committee work. "We're here to help you help yourself. Don't say, 'Here I am. Where's my job?' " says Jim Fields, membership committee chairman for the north Phoenix AzPEN group who was recently laid off by McDonnell Douglas.

After joining AzPEN, members fill out a client profile, a brief description of their background that is currently used as a marketing tool to solicit jobs from employers and eventually will be part of a newsletter that will be sent to companies. If members have a problem writing a profile or want help in other areas, such as interview techniques or critiquing a resume, PEN Group members are available to lend a helping hand.

Whether a member performs phone duty or participates on a committee, either choice offers networking opportunities that enhance their chances for employment.

While on phone duty at Job Service offices, PEN members not only screen applicants, but also take job orders, which means they're the first ones to become aware of openings. Meanwhile, AzPEN's four committees — marketing, membership, program, and operations — are the volunteer fuel that drives the group's engine.

The marketing committee, made up of people with strong public relations and sales backgrounds, is responsible for developing job orders, by contacting companies' human resource departments or anyone in the position to hire, then following up with a presentation. One advantage of the group's networking approach is that former AzPEN members are often in the position to place a job order or hire someone, and they're also able to inform other employers about the quality of the PEN Group members.

"As a past member (of AzPEN), I'm impressed with the depth of the people and their experiences," says Wayne T. Derr, who is now a sales manager for an office equipment business. "If they had the capital resources, they could start another GM corporation."

The membership committee is in charge of hospitality (meetings, socials) and overseeing desk duty, along with overlooking several subcommittees. The subgroups are made up of members in specialized fields (e.g., marketing, engineering) that review job orders and contact members who fit the position's description. (Any member whether they are contacted or not can also access and apply for any AzPEN job order.)

Many of the specialized groups also hold weekly breakfast meetings at a neighborhood restaurant. At a recent AzPEN meeting, a member of one of the groups tells of a woman who heard about a job at their get-together and immediately called the employer. When she returned to the table, the woman said she just accepted a job and would be making the most money of her career.

The program committee is primarily responsible for setting up monthly meetings (including speakers) and social events that frequently bring together employers, Job Service workers, and PEN Group members. The operations committee's main function is to set up a computer data base for the membership list and profiles.

Group's Success Tough to Measure

Trying to judge AzPEN's effectiveness 12 months into its existence is difficult, at best. Probably the best analogy would be to compare the group to a horse that gets a slow start out of the starting gate, then begins to hit stride down the backstretch, and is now gaining speed as it heads to the finish line.

AzPEN, which initially only operated out of the Mesa Job Service office and was only meeting every two weeks, had to overcome the usual start-up problems — high dropout rate, lack of organization and name identification, and low participation.

Then during the past summer, when the group formed its north Phoenix office, chaos seemed to be the order of business as AzPEN members were in and out of the Job Service office. "They (AzPEN members) were overrunning us," says Cheryl Bacon, manager of north Phoenix Job Service office.

Now, with set schedules and a limitation of two group members in the office at one time, along with holding meetings at other locations, the situation has "improved considerably," Bacon says. "All in all, we've learned to work with them quite well."

> *"Most of us operate under the illusion that a professional job is secure and then find out it's just an illusion. It's very, very heartening to find other people in a similar situation who are able to give support."*
>
> *—Lidy Bjornstad*
> *President, AzPEN group*
> *of north Phoenix*

Additionally, Marcum needed to convince some Job Service employees and DES officials that professional workers deserve as much help as much as other unemployed Arizonans. "There was a big misconception about professionals. They didn't know these people needed help," Marcum says. "AzPEN has offered them a place to go — just to beat off the depression, all the negative baggage."

In the past few months, AzPEN seems to have straightened itself out and begun hitting on all four legs, as its membership has grown and stories by the Valley news and print media have made its task easier when approaching prospective employers. Whereas turnover was high in the beginning, now two out of three members are sticking with the group. And Bjornstad estimates current membership at about 250, although she says its hard to track because of the constant turnover.

There are also plans in the works that should improve the group's effectiveness and clout. While Job Service and AzPEN have maintained separate marketing efforts and job lists up to now (mainly because they are targeting different groups), plans call for a push for Job Service agents to begin seeking out higher-paying professional positions and the eventual merging of AzPEN's job list with the Job Service's job bank.

AzPEN will also begin tracking the number of placements — which will give added ammunition when approaching employers — and Marcum says he is in the process of establishing AzPEN groups in the other three Phoenix-area Job Service offices, plus starting a group in Tucson within the next six months.

While AzPEN's fortunes have turned for the better, Bjornstad says the group is meant to be only one of several options for members. Most members are also involved in contacting employers, networking, and using for-profit services, such as placements companies, she says. In fact, employment agencies are encouraged to come to meetings and are welcome to contact members.

But the added benefit of AzPEN is that it combines several features that were not available as a package to out-of-work Arizona professionals on a no-fee basis, she says.

"AzPEN represents a win-win situation," Bjornstad says. "It alleviates that terrible feeling that 'I'm the only one out there in this fix,' it helps keeps up a level of enthusiasm, and ultimately we are supporting employers by facilitating job placement in their companies in a very timely and inexpensive manner."

Recently, a man who had worked 25 years in medical and technical sales, but who had been out of work for two years (partly because of an injury), attended his first AzPEN meeting.

"I've been in a lot of fear," the man says. But after spending a few hours listening to speakers and talking with other unemployed persons, he was more at ease after realizing he was not alone.

"I think the concept (AzPEN) is great," the man says. "Anything more than what I've done is going to help."

—Brent Fine
Arizona LMI Newsletter Editor

Valley Projected to Grow Faster Than Most Metros

Metropolitan Phoenix will be among the fastest-growing areas in terms of three economic measurements — employment, population, and personal income — between 1988 and the year 2000, according to data released in October by the U.S. Commerce Department's Bureau of Economic Analysis (BEA). The BEA projections were for 54 metropolitan areas expected to have population exceeding 1 million by the year 2000.

Among the 54 metro areas, BEA expects the Valley to have the third-fastest employment increase (28.89 percent), trailing only Anaheim, Calif. (29.2 percent), and West Palm Beach, Fla. (30.4 percent); the third-fastest population growth (23.5 percent) behind West Palm Beach (24.8 percent) and Riverside-San Bernardino, Calif (23.9 percent); and the second-fastest personal income growth (42.96 percent) behind West Palm Beach (48.4 percent). The Phoenix metro area is expected to rank 24 among the 54 metro areas in percentage increase of per-capita personal income (15.81 percent).

BEA expects metropolitan Phoenix' employment to be about 1.5 million by the year 2000, up from 1.17 million in 1988, while the Valley's population is projected to surge nearly 500,000 from 2.03 million in '88 to 2.51 million in the year 2000. The Phoenix area's total personal income average, meanwhile, is projected to be $48,787 by the start of the next decade, compared to $34,126 in '88, and per-capita personal income is projected to grow to $19,473 by the year 2000 from an average of $16,815 in '88.

Projected average growth rates for the 54 largest metro areas in the four economic growth categories are: employment, 15.8 percent; population, 10.6 percent; personal income, 26.9 percent; and per-capita personal income 14.8 percent.

Personal income is defined as income received from all sources — wage and salary disbursements; other labor and farm and non-farm proprietorship income: dividends, interest and rental income (DIR); and transfer payments — less personal contributions for social insurance. Per capita personal income is total personal income of a state's residents divided by resident population.

Data on the nation's 319 metropolitan areas are summarized in an article in the October issue of *Survey of Current Business*, a monthly BEA journal. It is available by writing to: Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Cost for an annual subscription is $52 by first-class mail and $23 by second-class mail. Single issues are $6.50.

—DES, Research Administration

Table 1. Metropolitan Areas Projected to Have the Fastest Growth, Between 1988 and 2000, In Employment, Population, and Personal Income

Employment (In Thousands)

	1988	2000	Change	Percent Chg.
West Palm Beach, Fla.	462	602	140	30.4%
Anaheim-Santa Ana, Calif.	1,458	1,884	425	29.2
Phoenix	**1,166**	**1,502**	**337**	**28.9**
Orlando, Fla.	620	789	169	27.3
Sacramento, Calif.	744	943	199	26.8
San Diego	1,309	1,650	341	26.0
Riverside-San Bernardino, Calif.	856	1,072	216	25.3
Tampa-St. Petersburg, Fla.	1,051	1,297	245	23.3
Ft. Lauderdale, Fla.	621	761	140	22.6
Oakland, Calif.	1,084	1,323	239	22.0

Population (In Thousands)

	1988	2000	Change	Percent Chg.
West Palm Beach, Fla.	818	1,022	203	24.8%
Riverside-San Bernardino, Calif.	2,278	2,822	544	23.9
Phoenix	**2,030**	**2,506**	**476**	**23.5**
Orlando, Fla.	971	1,188	217	22.3
San Diego	2,370	2,892	552	22.0
Sacramento, Calif.	1,385	1,689	304	22.0
Anaheim-Santa Ana, Calif.	2,257	2,712	455	20.2
Tampa-St. Petersburg	1,995	2,367	372	18.7
Atlanta	2,737	3,191	454	16.6
Ft. Lauderdale, Fla.	1,187	1,384	197	16.6

Total Personal Income (In Thousands)

	1988	2000	Change	Percent Chg.
West Palm Beach, Fla.	$18,680	27,723	9,043	48.4%
Phoenix	**34,126**	**48,747**	**14,661**	**43.0**
Orlando, Fla..	16,049	22,810	6,761	42.1
Riverside-San Bernardino, Calif.	35,655	50,206	14,551	40.8
San Diego	41,661	57,831	16,170	38.8
Sacramento, Calif.	23,617	32,723	9,105	38.6
Tampa-St. Petersburg, Fla.	32,738	44,766	12,028	36.7
Nashville, Tenn.	15,799	21,573	5,773	36.5
Anaheim-Santa Ana, Calif.	51,353	70,098	18,744	36.5
Salt Lake City-Ogden	13,941	18,912	4,971	35.7

Source: U.S. Department of Commerce, Bureau of Economic Analysis, October 1990

Labor Department Names 'Surplus Areas' for FY '91

The U.S. Labor Department (DOL) has designated 14 civil jurisdictions in Arizona as "labor surplus areas" for fiscal year 1991, which runs from Oct 1, 1990, through Sept. 30, 1991.

The labor surplus status, which helps areas of high unemployment, affects every city and county jurisdiction in the state except for those in Pima, Maricopa, Yavapai, and Mohave counties (Table 1). The 14 Arizona jurisdictions were also labor surplus areas in FY 1990.

Communities in economic distress are aided by the labor surplus status through the funneling of federal procurement dollars. Employers in these areas are eligible for preference in bidding on designated federal contracts.

In FY 1991, civil jurisdictions with an average unemployment rate of 6.6 percent or higher for the years 1988 and 1989 qualified for labor surplus status. The qualifying unemployment rate for FY 1990 was 7.1 percent.

Table 1. Arizona "Labor Surplus Areas" for Fiscal Year 1991

Eligible Areas	Civil Jurisdictions
Apache County	Apache County
Balance of Cochise County	Cochise Co. less Sierra Vista City
Balance of Coconino County	Coconino Co. less Flagstaff City
Flagstaff City	Flagstaff City in Coconino County
Gila County	Gila County
Graham County	Graham County
Greenlee County	Greenlee County
La Paz County	La Paz County
Navajo County	Navajo County
Pinal County	Pinal County
Santa Cruz County	Santa Cruz County
Sierra Vista City	Sierra Vista City in Cochise County
Yuma City	Yuma City in Yuma County

Additionally, during the fiscal year the Labor Department can classify jurisdictions as labor surplus areas due to "exceptional circumstances" — plant closures, contract cancellations, natural disasters, and other unforeseen problems. Areas are added on a monthly basis.

A complete listing of surplus areas, including updates, and general information on the program are available in *Area Trends in Employment and Unemployment*, published monthly by the DOL's Employment and Training Administration. Cost is $25 for a yearly subscription and $3 for a single issue. To order, write to Superintendent of Documents, U.S. Government Printing Office, Washington D.C.; or call (202) 783-3238.

Pilot Program to Help Failing Companies; Aim Is to Save Jobs

Arizona small businesses that are experiencing financial difficulty and who are in danger of laying off a large percentage of employees, can look to the state for technical advice under a pilot program being offered by the Arizona Departments of Economic Security and Commerce. The only catch is that companies have to ask for help before they're too far gone.

Funded through special funds from the Economic Dislocation Work Adjustment Assistance Act, up to $70,000 will be made available for consultants hired by the Commerce Department to assist businesses — primarily with 100 or fewer employees. Problems related to a company's marketing, basic operation, product, and financing are some of the areas the project will try to provide assistance.

To be considered for the project, the only requirements are that a business: have been established for three years; be in a industry that is not in decline; be in imminent danger of laying off employees; and be not too far in debt. "If they're making buggy whips" or something in decline, they won't be eligible, says Tom Landa, Targeted Programs manager for the state's Job Training Partnership Act program, which the Department of Economic Security oversees.

The Commerce Department will do some "preliminary assessment" of the company, but "when it comes to more technical aspects of the business (it) will have to use associates," says Ken Robbins, a Commerce Department business development officer. "Over the years, the Commerce Department has developed a list of consultants and other resources to help businesses."

But Bill Tompkin, Commerce Department's manager of Business Retention and Expansion, says his agency is in need of about half-dozen additional consultants for the project. "We would like about 20 candidates to chose from," he says. Ideally, Tompkin says he would like to match up a company with someone they're familiar with from work in their industry and that they have confidence in and vice versa.

The first businesses to be chosen for the project should come some time in December, Tompkin says.

The Arizona Labor Force in September

Increasingly, analysts have been offering gloomy descriptions of the economy, both nationally and locally. Coining an oft-used phrase, some may say, "If it looks like a duck, walks like a duck, and quacks like a duck, then it probably is a duck." In this case, the "duck" is a recession.

Two highly regarded economic forecasting groups — Wharton Econometric Forecasting Associates (WEFA) and the Blue Chip Economic Indicators — see a duck on the pond, predicting a recession in the near future.

WEFA is currently calling for a mild, two-quarter recession beginning in the fourth quarter of 1990. WEFA predicts real GNP growth will drop at annual rates of 1.1 percent in the fourth quarter of 1990 and 0.6 percent in the first quarter of 1991.

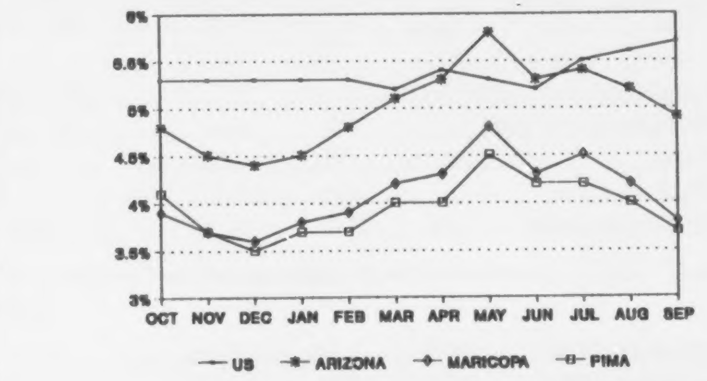
The Blue Chip Economic Indicators' consensus of 52 economists throughout the nation are calling for the same type of recession. They, on average, expect economic activity to decline at an annual rate of 0.6 percent in the fourth quarter of 1990 and 0.1 percent in the first quarter of 1991.

What does this mean for Arizona? Well, if we can keep the duck out of our pond, then all will be fine. The duck is currently wallowing in the Northeast, but if a survey of purchasing managers in Arizona is any indicator of the future, then a duck afar has instilled fear here. The purchasing managers say Arizona's economy reached a plateau in September, citing near-zero growth.

Enough said about ducks. Let's turn to Arizona's employment situation, which on the surface appears to be experiencing smooth sailing.

Arizona's seasonally adjusted unemployment rate dropped three-tenths of one percent to 4.9 percent in September. The unemployment rates in Maricopa and Pima counties declined as well, to 3.8 and 3.7 percent, respectively. Meanwhile, three rural Arizona counties' rates dropped in September, but were still at double-digit levels: Apache, 17.1 percent; Santa Cruz, 17.5 percent; and Yuma, 17.8 percent. Navajo County's unemployment rate remained at double-digit levels, too, but rose to 11.7 percent.

Figure 1. **U.S., Arizona, and Maricopa and Pima Counties' Unemployment Rates, October 1989-September 1990**



Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona

Rate at Lowest Level Since February

A seasonal drop in the number of unemployed and a stronger-than-normal increase in total employment caused the state's unemployment rate to decline to its lowest level since February of this year, when it was at 4.8 percent.

Total unemployment, which normally declines in September — mainly the result of seasonal factors as the summer ends and the school year begins — fell 8,100 last month. But equally as important was a robust increase in total employment, which added 29,600, bringing the total civilian labor force for September to 1,747,200, up 21,500 over August levels.

Non-agricultural wage and salary employment added 33,000 in September, slightly less than the normal September gain experienced over the past eight years. Despite some weakness during the month, wage and salary employment was up 3.3 percent over the past year, a healthy gain when compared to national statistics.

All industries across the board showed weakness; some, such as manufacturing and construction, more than others. Even government, which accounts for the bulk of September's wage and salary gains, grew slightly less than normal.

The beginning of the school year brought about an increase in government employment of 28,700 in September, slightly less than seasonally normal. However, over September 1989, government employment expanded 4.6 percent. This expansion is considerably greater than in past years, primarily the result of the hiring of census workers.

Employment in trade increased 3,300 in September, about 700 less than normally expected. While gains in wholesale trade were fairly typical, the increase in retail trade was the weakest since 1982. All sectors of retail trade contributed to its poor performance, but eating and drinking places exhibited the greatest weakness, adding only 1,200 jobs, about 400 less than average.

Services also had a subpar month, adding 2,300 jobs, 700 less than normal. Health services experienced a normal gain of 400, while hotels and other lodging places added 500, about 400 below the average September increase. Business services lost 100 when a 300 increase is the norm.

(Continued on page 12)

Arizona Labor Force and Employment

September 1990 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				Amount Change					Amount Change					Amount Change	
	Aug.* 1990	July 1990	Aug. 1989	July - Aug.	1989 - 1990	Aug.* 1990	July 1990	Aug. 1989	July - Aug.	1989 - 1990	Aug.* 1990	July 1990	Aug. 1989	July - Aug.	1989 - 1990
TOTAL CIVILIAN LABOR FORCE**	1725.0	1729.6	1703.7	-4.6	+21.3	1072.8	1079.3	1060.9	-6.5	+11.9	313.5	312.1	316.0	+1.4	-2.5
Total Unemployment	97.7	104.1	104.8	-6.4	-7.1	46.5	50.7	51.7	-4.2	-5.2	12.9	13.7	16.2	-0.8	-3.3
Rate	5.7	6.0	6.2	—	—	4.3	4.7	4.9	—	—	4.1	4.4	5.1	—	—
Rate (Sea. Adj.)***	5.2	5.4	5.7	—	—	4.2	4.5	4.7	—	—	4.3	4.2	5.0	—	—
Total Employment	1627.3	1625.5	1598.9	+1.8	+28.4	1026.3	1028.6	1009.2	-2.3	+17.1	300.6	298.4	299.8	+2.2	+0.8

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs

NON-AGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
	Aug.* 1990	July 1990	Aug. 1989	July - Aug.	1989 - 1990	Aug.* 1990	July 1990	Aug. 1989	July - Aug.	1989 - 1990	Aug.* 1990	July 1990	Aug. 1989	July - Aug.	1989 - 1990
TOTAL WAGE AND SALARY	1474.6	1468.9	1421.4	+5.7	+53.2	975.9	976.3	939.9	-0.4	+36.0	249.0	246.2	242.8	+2.8	+6.2
Manufacturing	188.9	188.9	187.8	0.0	+1.1	139.5	140.1	139.7	-0.6	-0.2	27.0	27.2	27.2	-0.2	-0.2
Durable Goods	142.9	143.2	142.7	-0.3	+0.2	106.9	107.6	107.3	-0.7	-0.4	21.5	21.6	21.8	-0.1	-0.3
Stone, Clay, and Glass	7.4	7.2	7.4	+0.2	0.0	4.5	4.3	4.5	+0.2	0.0					
Primary and Fabricated Metals	15.7	15.3	15.7	+0.4	0.0	10.5	10.4	10.8	+0.1	-0.3					
Primary Metals	7.8	7.5	7.7	+0.3	+0.1										
Fabricated Metals	7.9	7.8	8.0	+0.1	-0.1										
Machinery	58.5	58.8	60.0	-0.3	-1.5	48.0	48.4	49.6	-0.4	-1.6					
Aircraft and Missiles	27.5	27.7	26.2	-0.2	+1.3										
Lumber and Wood Products (Excluding Furniture)	8.0	8.3	7.7	-0.3	+0.3										
Non-durable Goods	46.0	45.7	45.1	+0.3	+0.9	32.6	32.5	32.4	+0.1	+0.2	5.5	5.6	5.4	-0.1	+0.1
Food and Kindred Products	10.6	10.2	9.6	+0.4	+1.0	7.0	6.9	6.4	+0.1	+0.6					
Printing and Publishing	16.8	17.0	16.5	-0.2	+0.3	12.1	12.3	12.0	-0.2	+0.1					
Mining and Quarrying	12.8	12.3	12.3	+0.5	+0.5	0.9	0.9	1.0	0.0	-0.1	2.2	2.3	2.1	-0.1	+0.1
Copper Mining	9.9	9.4	9.4	+0.5	+0.5										
Construction	85.9	84.9	87.9	+1.0	-2.0	57.2	56.4	58.7	+0.8	-1.5	14.7	14.6	15.3	+0.1	-0.6
Transportation, Communications, & Public Utilities	80.5	80.3	77.1	+0.2	+3.4	56.7	56.5	53.9	+0.2	+2.8	9.7	9.7	9.6	0.0	+0.1
Transportation	45.0	44.9	41.5	+0.1	+3.5	33.7	33.5	30.9	+0.2	+2.8	5.0	5.0	4.9	0.0	+0.1
Communications and Public Utilities	35.5	35.4	35.6	+0.1	-0.1	23.0	23.0	23.0	0.0	0.0	4.7	4.7	4.7	0.0	0.0
Trade	372.8	372.2	360.2	+0.6	+12.6	250.8	250.7	241.5	+0.1	+9.3	58.8	58.6	57.9	+0.2	+0.9
Wholesale Trade	77.3	77.5	73.1	-0.2	+4.2	62.1	62.3	58.6	-0.2	+3.5	7.7	7.7	7.7	0.0	0.0
Retail Trade	295.5	294.7	287.1	+0.8	+8.4	188.7	188.4	182.9	+0.3	+5.8	51.1	50.9	50.2	+0.2	+0.9
General Merchandise and Apparel	45.5	45.0	43.7	+0.5	+1.8	28.4	28.1	27.1	+0.3	+1.3	6.9	6.9	6.9	0.0	0.0
Food Stores	47.8	48.0	48.3	-0.2	-0.5	30.5	30.7	30.8	-0.2	-0.3	7.8	7.8	8.2	0.0	-0.4
Automotive and Service Stations	36.6	36.4	35.8	+0.2	+0.8	23.3	23.2	22.8	+0.1	+0.5	5.8	5.8	5.7	0.0	+0.1
Eating and Drinking Places	104.4	104.6	100.6	-0.2	+3.8	65.9	66.0	63.2	-0.1	+2.7	19.3	19.3	18.8	0.0	+0.5
Finance, Insurance, and Real Estate	95.4	94.8	92.9	+0.6	+2.5	76.7	76.1	74.5	+0.6	+2.2	11.5	11.6	11.4	-0.1	+0.1
Services and Miscellaneous	407.0	407.6	383.7	-0.6	+23.3	273.9	274.4	256.5	-0.5	+17.4	74.1	74.1	70.9	0.0	+3.2
Hotels and Lodging Places	44.7	44.8	40.6	-0.1	+4.1	27.2	27.3	23.8	-0.1	+3.4	6.4	6.4	5.8	0.0	+0.6
Business Services	75.9	76.1	72.8	-0.2	+3.1	60.8	61.0	58.5	-0.2	+2.3	10.4	10.3	10.1	+0.1	+0.3
Health Services	101.4	101.5	96.1	-0.1	+5.3	65.7	65.9	62.4	-0.2	+3.3	21.9	21.8	20.8	+0.1	+1.1
Government	231.3	227.9	219.5	+3.4	+11.8	120.2	121.2	114.1	-1.0	+6.1	51.0	48.1	48.4	+2.9	+2.6
Federal	47.5	47.7	43.8	-0.2	+3.7										

* Preliminary
** Labor force, unemployment, and employment are reported by place of residence.
*** Normal seasonal variations have been eliminated to reflect underlying economic trends.
**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Non-metropolitan Counties Labor Force and Employment September 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,800	37,775	47,175	13,425	8,500	3,100	6,200
Total Unemployment	2,025	2,125	2,525	1,000	575	250	400
Rate	13.7%	5.6%	5.4%	7.4%	6.8%	8.1%	6.5%
Rate (Seas. Adj.)**	16.4%	6.0%	6.1%	8.0%	6.7%	8.0%	6.1%
Total Employment	12,775	35,650	44,650	12,425	7,925	2,850	5,800

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
TOTAL WAGE AND SALARY	15,225	26,925	44,350	11,750	5,225	3,050	3,975
Manufacturing	575	1,475	3,500	1,525	225	25	250
Mining & Quarrying	50	175	300	1,325	0	1,775	75
Construction	400	725	1,900	375	150	125	225
T.C.P.U.	1,925	1,850	2,775	475	150	50	125
Trade	1,925	5,825	10,250	2,675	1,400	250	1,250
F.I.R.E.	450	675	700	325	125	25	100
Services & Misc.	4,675	5,275	11,875	2,300	875	150	1,050
Government	5,225	10,925	13,050	2,750	2,300	650	900

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,625	29,750	39,575	12,275	42,325	57,025
Total Unemployment	1,950	2,925	2,750	2,325	1,875	12,600
Rate	5.0%	9.8%	6.9%	18.9%	4.4%	22.1%
Rate (Seas. Adj.)**	5.1%	11.7%	6.6%	16.8%	4.8%	17.5%
Total Employment	36,675	26,825	36,825	9,950	40,450	44,425

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	27,575	23,275	30,125	10,550	29,350	28,675
Manufacturing	2,575	2,000	3,875	975	2,250	2,725
Mining & Quarrying	50	1,225	3,725	0	950	75
Construction	3,250	1,525	525	350	2,750	1,475
T.C.P.U.	1,200	1,600	1,100	700	1,125	875
Trade	8,525	4,575	5,925	4,425	8,000	8,175
F.I.R.E.	1,250	425	850	300	950	925
Services & Misc.	6,300	5,625	4,675	1,950	7,300	6,625
Government	4,425	6,300	9,450	1,850	6,025	7,800

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Sept.* 1990	Aug. 1990	Sept. 1989	Sept.* 1990	Aug. 1990	Sept. 1989	Sept.* 1990	Aug. 1990	Sept.* 1989
Manufacturing	420.21	416.12	416.33	40.6	40.4	41.8	10.35	10.30	9.96
Aircraft & Missiles	664.49	647.57	615.44	46.5	45.7	44.5	14.29	14.17	13.83
Food & Kindred Prod.	347.06	364.27	343.00	39.8	40.7	40.4	8.72	8.95	8.49
Primary Metals	503.65	504.06	499.38	38.3	37.2	36.8	13.15	13.55	13.57
Machinery	363.90	359.72	388.49	37.4	37.2	40.3	9.73	9.67	9.64
Copper Mining	608.63	583.44	588.74	44.2	42.9	44.5	13.77	13.60	13.23
Construction	466.88	453.10	435.49	38.3	37.2	37.0	12.19	12.18	11.77
Utilities	741.91	699.94	720.76	45.6	44.3	44.3	16.27	15.80	16.27
Retail Trade**	261.78	260.57	256.95	32.6	32.9	33.5	8.03	7.92	7.67
Wholesale Trade	388.05	381.31	374.36	39.0	38.4	38.2	9.95	9.93	9.80

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Sept.* 1990	Aug. 1990	Sept. 1989	Sept.* 1990	Aug. 1990	Sept. 1989	Sept.* 1990	Aug. 1990	Sept. 1989
Manufacturing	448.69	446.01	436.35	41.7	41.8	42.2	10.76	10.67	10.34
Construction	476.52	459.01	456.93	38.0	36.9	37.3	12.54	12.45	12.25
Retail Trade**	274.56	274.21	270.27	33.2	33.4	33.7	8.27	8.21	8.02
Wholesale Trade	407.01	398.87	391.55	38.8	37.7	38.5	10.49	10.58	10.17

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Sept.* 1990	Aug. 1990	Sept. 1989	Sept.* 1990	Aug. 1990	Sept. 1989	Sept.* 1990	Aug. 1990	Sept. 1989
Manufacturing	362.25	354.14	363.47	37.5	37.2	38.1	9.66	9.52	9.54
Construction	404.80	385.20	384.16	36.8	36.0	37.7	11.00	10.70	10.19
Utilities	673.36	650.16	585.33	44.3	43.0	39.1	15.20	15.12	14.97

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
September 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,747,230	1,658,013	89,217	5.1%
Apache	14,819	12,783	2,036	13.7
Cochise	37,760	35,644	2,116	5.6
Coconino	47,178	44,649	2,529	5.4
Gila	13,410	12,413	997	7.4
Graham	8,502	7,932	570	6.7
Greenlee	3,104	2,851	253	8.2
La Paz	6,209	5,798	411	6.6
Maricopa	1,079,343	1,035,748	43,595	4.0
Mohave	38,623	36,667	1,956	5.1
Navajo	29,736	26,814	2,922	9.8
Pima	317,331	305,053	12,278	3.9
Pinal	39,583	36,823	2,760	7.0
Santa Cruz	12,271	9,947	2,324	18.9
Yavapai	42,331	40,458	1,873	4.4
Yuma	57,028	44,333	12,595	22.1

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

(Continued from page 7)

Employment in manufacturing decreased 700 in September. Durable goods lost 1,000 with machinery, and lumber and wood products being the primary culprits. Non-durable goods added 300, much of which was split between printing and publishing and food processing. Overall, manufacturing continues to exhibit weakness, a trend that began in 1988.

While declines in construction employment are normal occurrences, a drop of 600 last month was larger than expected. However, because the rate of Arizona's construction employment slide has slowed substantially during 1990, there is solace in the fact that the bottom is at last in sight.

Finally, several Arizona industries saw little change in September: mining (-100); finance, insurance, and real estate (+100); and transportation, communications, and public utilities (unchanged).

Overall, Arizona employment — particularly wage and salary employment — was weak last month, consistent with the national experience. The good news was that the unemployment rate dropped, due mainly to seasonal factors. While it is too soon to say that a recession has arrived here, the possibility of one has increased in recent months. The next few months will be critical to our future economic health.

—Marc A. Marra
RA Economist

DOL Studies Apprenticeship Programs for Youth

NEWS IN BRIEF

Following are brief summaries of news stories compiled from a variety of sources relating to labor issues affecting the nation and Arizona.

Before leaving her position in late October, former Labor Secretary Elizabeth Dole announced the formation of a blue-ribbon commission to study ways to improve and expand training and apprenticeship programs.

"America faces a work force crisis," Dole was quoted in a Labor Department press release. Dole cited a slow-growing work force, a large number of workers with obsolete skills, and a complex global market as major reasons for "providing our working men and women with the skills needed for a lifetime of productive work."

Made up of business, education, and labor leaders, the National Advisory Commission on Work-Based Learning will explore the feasibility of developing a voluntary system for accrediting industry-wide training programs.

The commission's goal will be to target "forgotten youth" — the 50 percent of American young adults who do not attend college. "We must provide these youth with the credentials that can lead to a successful career," said Dole, pointing out that the United States is one of a few industrialized countries without a formal school-to-work transition.

Also, Dole said the role of apprenticeships, which are used widely in construction trades, needs to be expanded to other industries. Apprenticeships will give workers "portable skills" that employers will immediately recognize and will help the process of matching employers and employees, the former Labor Secretary said.

Establishment of the commission is one of several recent actions by Dole. Others include:

- appointing a commission to develop national competency guidelines that will serve as working definitions of skills employers require for a job. The guidelines can be used to develop curricula for graduation and promotional opportunities.
- putting on the first national conference on school-to-work population.
- laying the foundation for legislation to reform the employment service.

Displaced Homemakers, Clean Air Losers Helped

Shortly before it adjourned in late October, Congress passed legislation that aids displaced homemakers and workers laid off due to new clean air requirements. However, due to cuts worked out in the budget agreement, funding for fiscal year 1991 is uncertain, according to stories in *Current Developments in Employment & Training*, published by the National Governors' Association.

As part of the new Clean Air Act, Congress authorized $250 million over four years for Job Training Partnership Act (JTPA) Title III services for workers terminated or laid off due to compliance with the law. JTPA Title III funds are used for Economic Dislocated Worker Adjustment Act programs.

The Clean Air Employment Transition Assistance (CAETA) program is scheduled to include training, adjustment assistance — which includes relocation and job-search allowances — and employment services.

Grant applicants, which can include municipalities, states, community colleges, and other public agencies, must ensure eligible recipients will receive training and cash payments. To be eligible for benefits, individuals must enroll in a JTPA-approved training program by the end of the 13th week of their unemployment benefits or by the end of the eighth week after a person has been told a layoff will exceed six months.

Needs-based payments will also be available to persons whose total family income is less than the "lower living standard" income level and who have exhausted unemployment insurance benefits.

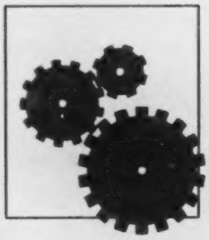
Meanwhile, the Displaced Homemakers Self-Sufficiency Act authorizes $35 million in FY 1991 and additional funding in following years for training and job placement for the nation's estimated 15.6 displaced homemakers. The bill will fund such services as career counseling, basic skills and literacy training, recruitment and outreach, and job-development and placement.

In a year when funding is greater than $25 million, appropriations will be given to states based on their percentage of the nation's adult population. When funding falls below that amount, money will be awarded on a competitive grant basis with both statewide public agencies and statewide non-profit organizations eligible to make proposals.

According to the article, as defined by the act, a displaced homemaker is a person "who has been providing unpaid services to family members in the home, is unemployed or underemployed, and is experiencing difficulty in obtaining or upgrading employment." Such person "must also have been dependent either on public assistance or on the income of another family member who is no longer providing support."

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.



MANUFACTURING — In mid-October, **Intel Corp.** opened its first **combination assembly, packaging and testing facility** of semiconductor products in the United States at its 190-acre Chandler campus, Rural Road and Chandler Boulevard. The 225,000-square-foot plant — operating three shifts a day, seven days a week — will initially employ 700 workers, but could expand to 1,200 employees. Rumors have also surfaced that Intel, which employs 3,100 people in Chandler, may construct an additional 200,000-square-foot plant beginning next year.

Keramont Corp. of Tucson has been awarded a $4.6 million contract to **install armor kits** on 300 Blackhawk UH-60 helicopters as part of Operation Desert Shield in the Middle East. Keramont, which develops and makes advanced material products, is expected to add 80 employees in 1991 to its present work force of 100.

A Newhall, Calif. automotive-parts manufacturer that makes **components for air bags** is moving to Mesa to be near the company it supplies, TRW Inc. **Special Devices Inc.** plans on **employing about 150 workers** at a new $2 million, 30,000-square-foot plant near Greenfield and McDowell roads when it opens in March.

A **manufacturer of silent valves** for U.S. navy attack submarines is moving its operation from Huntington Park, Calif., to Tucson by the end of the year. **Sargent Controls**, a subsidiary of New York-based Dover Corp., will occupy a 58,000-square-foot building formerly used by Excel Industries Inc. (5675 W. Burlingame Road) and initially **employ 120 people** with the possibility of expanding to 250 within a year.

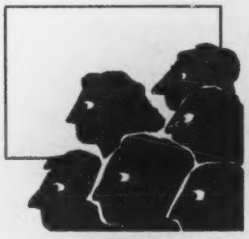
Inland Motor Co., which develops and manufactures motors and other electronic equipment for defense projects, will gradually **shut down its plant in Sierra Vista**. The phase-out, which will be completed by mid-1991, will mean the loss of jobs for 130 employees, who will be given severance packages. The Sierra Vista plant was a satellite operation for Inland Motor, based in Radford, Va.

Citing a need to be near Southwest manufacturers, a **maker and distributor of hardware products** used in connecting micro-to-mainframe computers has moved its headquarters to Phoenix from Buffalo. More than 35 people — mainly in skilled, technical areas — are expected to be hired by **Computer Logics**, which has moved into a 20,000-square-foot plant at 24th and Peoria avenues.

As part of a corporate restructuring, **Bull HN Information Systems Inc.** plans to **lay off 250 employees** from its two plants in the Phoenix area in 1991. The annoucement comes on top of cuts the past two years that reduced Honeywell's work force by 560. Bull, which currently has about 1,900 employees in the Valley, does engineering, research, and development for mainframe computers at its north Phoenix facility, and manufactures printed circuit boards at a Chandler plant.

Although not large in terms of numbers of new jobs (six), the opening of a **research plant in Tucson** by a California laser manufacturer might be a sign of things to come. **Coherent Inc.** of Palo Alto, which makes lasers used in science, industry, and medicine, has leased 3,500 square feet in the Butterfield Business Park, 4605 S. Palo Verde Road. Two of Coherent's employees already live in Tucson, while two others will move from California and the final two positions will be filled locally.

CONSTRUCTION — Work is expected to start soon on a **30-store, 140,000-square-foot mall in Casa Grande** that has already been 75 percent pre-leased. Willey Creek Co. of New Hampshire will develop the $5.5 million **Casa Mercado**, which is expected to generate $45 million in annual sales and feature a variety of discount stores that sell products such as clothing, leather goods, and linens.

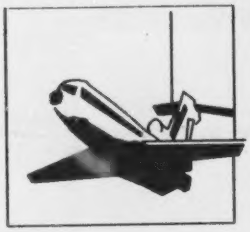


TRADE — One of the nation's largest computer chains, **Computerland**, no longer has any retail outlets in the Phoenix area. Dataphaz Inc., which owns the rights to Computerland in the Valley, **closed its last Computerland store** in late October, **at Tower Plaza, laying off 20 employees.** Dataphaz, which merged four stores into the Tower Plaza location two years ago, still employs 330 people for its primary business of selling and servicing products used for interconnecting micro computers..

Current **expansion of Tucson Mall** — which includes an 80,000-square-foot addition to Dillard's, a 140,000-square-foot Foley's department store, and about 50 new stores — should lead to 500 new jobs. Work on the mall, which will bring total square footage to 1.3 million, is expected to be completed next October.

As part of a consolidation plan, **Thrifty Corp. will close 13 of its drug stores** in Arizona by the end of the year. Thrifty will shut down seven locations in Phoenix, five in Tucson, and one in Sierra Vista, leaving 23 stores in the state. Some managers and pharmacy personnel are being transferred to other locations, and other employees are being given severance packages.

SERVICES — Work has begun on a **$7 million Children's Research Center** on the University of Arizona campus in Tucson that will study areas such as genetic defects, cancer, brain functions, and lung diseases. Expected to draw top faculty from around the country, the 32,000-square-foot research facility will **create up to 250 positions**, including investigators, lab technicians, and secretaries.



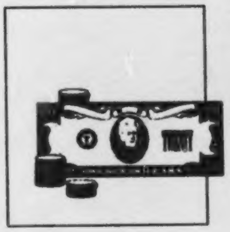
TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES — Tucson has been selected for a new customer-service facility to handle United Airlines' frequent-flyer subsidiary, **Mileage Plus Inc.** Mileage Plus, based in Carson, Calif., says most of its expected **220 positions** will pay a minimum of $6 an hour, and the company may unofficially begin accepting applications or resumes as soon as January. Competition for workers from American Airlines, which plans to hire up to 1,000 sales representatives and administrative workers for a Tucson reservations center opening in May, may force wages higher.

Minneapolis-based **LDB International Corp.**, a long-distance telephone and telecommunications company, is opening a **regional office in Phoenix**. LDB, which will lease space in a building at 3150 N. 24th St., expects to employ 12 people within the next year.

ProMark One, a telemarketing company based in Phoenix, expects to **increase its work force** from its current 300 to 600 by the end of March 1991, says a company official. Started about 4 years ago, ProMark One plans to open its third office in the Valley. The company starts employees at about $6 an hour, plus commissions, an official says.

Beg Your Pardon

Data referenced in two stories in the October *Arizona LMI Newsletter* were incorrectly reported. In an article on average annual pay, a table showed pay for "Private Industry" in Arizona was $19,858 in 1989 and $20,242 in 1988. The figures should have been reversed, but the percentage increase of 1.9 percent was correct. Also, another story said Arizona's per-capita personal income was $14,148 in 1988, when it should have said $14,995. However, the percentage increase in per-capita personal income from 1988 to 1989 of 5.4 percent was correct.



FINANCE, INSURANCE AND REAL ESTATE — Two subsidiaries of American Express in Tucson, **IDS Financial Services and Teleservices, have been taking on additional employees.** IDS is hiring about 20 financial planners to go with their current work force of 25, while long-distance carrier Teleservices has increased its number of employees two-fold since July of 1989.

Arizona's troubled **savings and loan industry** lost $473 million in the second quarter of this year, more than double the deficit experienced in the first three months. The state's thrifts ranked six nationally in troubled loans ($950 million) by the end of June. Meanwhile, the federal government's agency in charge of disposing of failed thrifts, the Resolution Trust Corp. (RTC), has put up for sale two Arizona savings and loans. Tucson-based **Pima Federal Savings & Loan and Security Savings & Loan of Scottsdale** were part of 18 thrifts the RTC will try to unload by the end of 1990.

Sales of existing homes in Arizona rose 8.4 percent in the third quarter of this year compared to the same period in 1989. The sale of nearly 68,000 houses from July through September ranked the state nine in the nation. Nevada led the nation with a 25 percent increase.

MISCELLANEOUS — More than **$6.6 million in below-market interest loans** to small businesses created 430 new jobs in metropolitan Tucson during the year ended September 30, says the agency that helped arrange the loans. **Tucson Local Development Corp.** (TLDC) says money was lent to 37 companies in manufacturing, construction, trade, and services. TLDC says an additional $600,000 is now available for loans under $50,000.

As part of Disabilities Awareness Week, **six Tucson companies and a southern Arizona city** received awards in mid-October for their record on hiring the disabled. Honored by the Arizona Department of Economic Security's Rehabilitation Services Administration and the (Tucson) Mayor's Committee on Employment were: Furr's Cafeteria; Sears, Roebuck and Co.; Beacon Foundation for the Mentally Retarded Inc; Waterway Car Wash; Metro Software Inc.; Sears Telecatalog Center, and the city of Sierra Vista.

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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XIV No. 12
December 1990

Unemployment Rate

Seasonally Adjusted
October *

ARIZONA – 4.6%
Maricopa Co. – 3.7
Pima Co. – 3.6
United States – 5.7

Consumer Price Index

U.S. – October 1990
Base = 1982-84

Wage Earner/Clerical Worker – 131.9
% Chg. Year Ago – 6.2

All Urban – 133.5
% Chg. Year Ago – 6.3

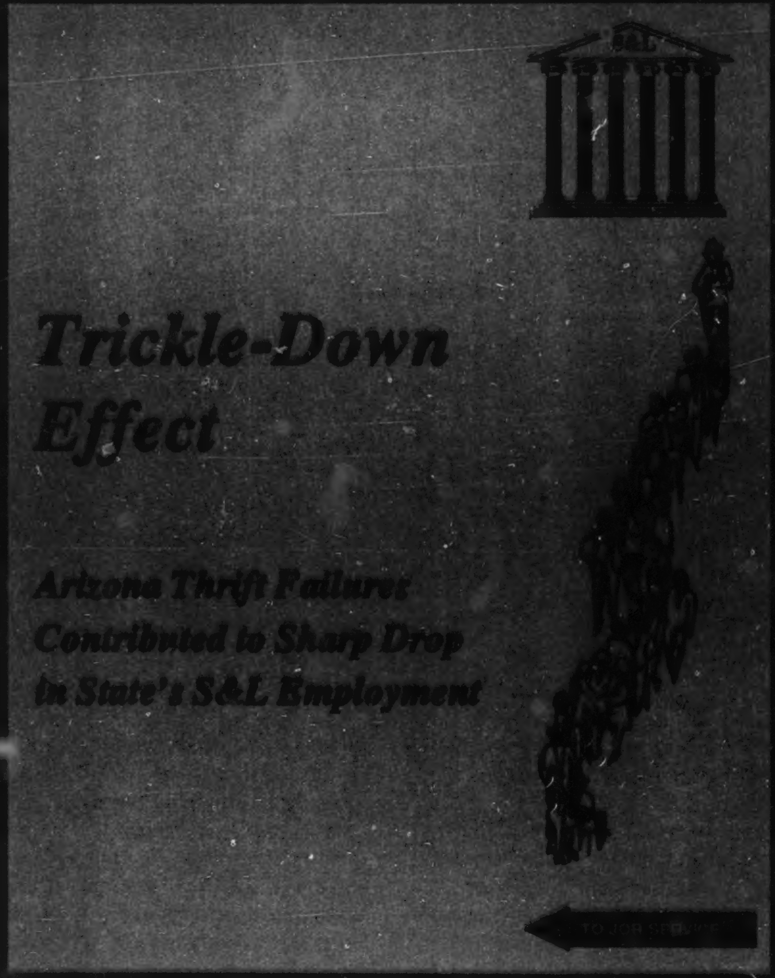
Phoenix – 3rd Qtr 1990
Base = 1982-84

All Urban – 133.8
% Chg. Year Ago – 5.4

Tucson – 3rd Qtr 1990
Base = 1982-84

All Urban – 131.3
% Chg. Year Ago – 4.7

* Preliminary



Trickle-Down Effect

Arizona Thrift Failures Contributed to Sharp Drop in State's S&L Employment

Inside This Issue **Page**

S&L Employment Dropped Sharply in '88, '89 2
Businesses' SIC Codes Change for Various Reasons 5
The Arizona Labor Force in October 5
Arizona Labor Force Statistics 6
New Developments 11

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

S&L Employment in State Dropped as Thrifts Failed

On February 6, 1989, President Bush unveiled a comprehensive reform package as a response to the deterioration of the thrift industry and its potential impact on banks. A year earlier, thrift resolution costs for the country were more than three times the total for the entire 1980-87 period.[1]

The federal legislation, formally known as the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), was signed into law on August 9, 1989. Created as a part of the legislation, the Resolution Trust Corporation (RTC) was assigned the task of merging or liquidating existing insolvent savings and loan associations and any that failed in the following three years.

Although thrift resolution costs for the United States skyrocketed in 1988, no Arizona thrifts were declared insolvent that year. In 1989, however, six savings and loans in the state — Universal, Western, Security, Southwest, Lincoln, and Sun State — were declared insolvent and placed into conservatorship.

It is with this in mind that the question arises, "What happened to employment in depository institutions in Arizona in 1988 and 1989 and, more specifically, employment in savings institutions?"

For this article, employment data generated and compiled by state and federal Unemployment Insurance (UI) programs were analyzed.[2] These UI programs categorize employment by industry using codes of the Standard Industrial Classification (SIC) Manual —1987.[3]

Employment Data

From January 1988 through December 1989, employment in Arizona depository institutions (Major Group 60) fell 585 (1.7 percent), from 33,473 to 32,888.[4] While this drop was not insignificant, employment at the industry-group (three-digit) level showed significant movement during this two-year period.

The SIC manual divides employment in depository institutions (Major Group 60 in the finance, insurance, and real estate (FIRE) division) into six industry (three-digit) groups. Following are the SIC code and official title of industry groups within depository institutions:

Code	Title[5]
601	Central Reserve Depository Institutions
602	Commercial Banks
603	Savings Institutions
606	Credit Unions
608	Foreign Banking and Branches and Agencies of Foreign Banks
609	Functions Related to Depository Banking

As extracted from Table 1, employment changes at the industry-group level within depository institutions (Major Group 60) between January 1988 and December 1989 were:

Industry Group	Amount
Commercial Banks	1991
Savings Institutions	-4338
Credit Unions	159
Functions Related to Depository Banking	1603
Total, Depository Institutions	-585

Savings institutions was the only industry group within depository institutions to experience employment losses over this two-year period, declining 4,338, or a 42 percent drop from January 1988 levels. However, 2,808 (27 percent) of this loss can be explained by a shift of employees from one industry to another as a result of non-economic code changes that were made effective at the beginning of 1989.[6] (see, "Establishments' SIC Codes ...," p. 2)

Non-economic code changes for 1988, reported in the first quarter of 1989, moved 2,804 employees from savings institutions to commercial banks, and an additional four employees to other areas.[7] The net result was a loss of 2,808 employees in savings institutions. But overall, depository institutions showed a net gain of 131 from non-economic code changes. (Data in Table 1 reflects all code changes (economic, non-economic, and changes from unclassified).)

Following are employment fluctuations due to non-economic code changes that occurred at the three-digit level between January 1988 and December 1989:

Industry Group	Amount
Commercial Banks	2927
Savings Institutions	-2808
Credit Unions	0
Functions Related to Depository Banking	12
Total, Depository Institutions	131

Establishments' SIC Codes Revised for Variety of Reasons

From time to time, business establishments change location, ownership, or industrial activity. When this occurs, previously assigned Standard Industrial Classification (SIC) codes must be updated.

Code changes fall into one of three categories. Simplified definitions are:

- Non-economic — Due to a revision of the coding structure, to correct codes that were incorrectly assigned, or a gradual shift (taking longer than 30 days) in activities of the establishment reporting units. Non-economic code changes, except those resulting from structural changes in coding manuals, are usually made effective at the beginning of the following calendar year to avoid unrealistic fluctuations in data and skewing of yearly averages.
- Economic — Due to a change in industrial activity, ownership, or location that occurs in a period of less than 30 days. Economic code changes are usually made effective as near as possible to the time that the changes occurred.

(Continued on page 10)

Table 1. **Monthly Employment and Net Change by Industry Group, Arizona Depository Institutions, 1988-March 1990**

	602	CHG	603	CHG	606	CHG	609	CHG	60	CHG
1988										
Jan	16670	—	10256	—	1658	—	4889	—	33473	—
Feb	16675	5	10132	-124	1650	-8	4919	30	33376	-97
Mar	16569	-106	10134	2	1687	37	5036	117	33426	50
Apr	16442	-127	9870	-264	1692	5	5109	73	33113	-313
May	16226	-216	9900	30	1695	3	5195	86	33016	-97
Jun	15906	-320	10107	207	1698	3	5210	15	32921	-95
Jul	15675	-231	9658	-449	1689	-9	5192	-18	32214	-707
Aug	15538	-137	9888	230	1687	-2	5287	95	32400	186
Sep	15416	-122	9750	-138	1699	12	5333	46	32198	-202
Oct	15441	25	9925	175	1708	9	5357	24	32431	233
Nov	15439	-2	9866	-59	1716	8	5423	66	32444	13
Dec	15420	-19	10051	185	1874	158	5419	-4	32764	320
1989										
Jan	18512	3092	6868	-3183	1740	-134	5530	111	32649	-115
Feb	18525	13	6801	-67	1734	-6	5703	173	32763	114
Mar	18773	248	6829	28	1716	-18	5798	95	33116	353
Apr	18024	-749	6533	-296	1757	41	6350	552	32664	-452
May	18026	2	6483	-50	1751	-6	6512	162	32772	108
Jun	17977	-49	6241	-242	1759	8	6541	29	32518	-254
Jul	18103	126	6052	-189	1766	7	6253	-288	32174	-344
Aug	18239	136	5989	-63	1770	4	6282	29	32280	106
Sep	18359	120	5933	-56	1780	10	6291	9	32363	83
Oct	18471	112	5989	56	1739	-41	63[illegible]	33	32523	160
Nov	18515	44	5954	-35	1844	105	6352	28	32665	142
Dec	18661	146	5918	-36	1817	-27	6492	140	32888	223
Jan 88 - Dec 89		1991		-4338		159		1603		-585
1990										
Jan	18401	-260	5287	-631	1809	-8	6520	28	32020	-868
Feb	18528	127	5340	53	1804	-5	6291	-229	31966	-54
Mar	18442	-86	5271	-69	1796	-8	6662	371	32174	208
Dec 89 - Mar 90		-219		-647		-21		170		-714

Notes:

CHG = Month-to-Month Change
602 = SIC 602: Commercial Banks
603 = SIC 603: Savings Institutions
606 = SIC 602: Credit Unions
609 = SIC 609: Functions Related to Depository Banking
60 = SIC 60: Depository Institutions (Major Group 60)

Source: Arizona Department of Economic Security, Research Administration, 1988-1990

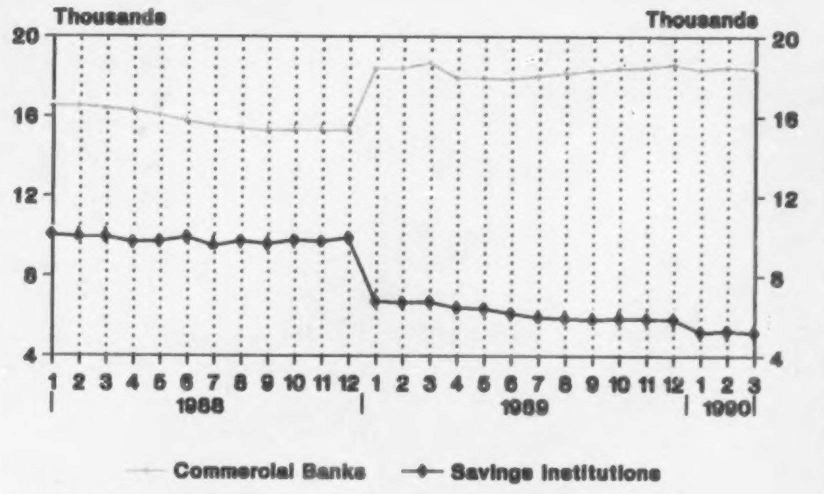
Analysis

Even without the losses due to non-economic changes, UI employment data indicate a downward trend in employment in savings institutions in the two-year period analyzed (Figure 1).[8] And this trend continued into the first quarter of 1990, with employment in savings institutions falling an additional 647.[9]

While employment in savings institutions showed a steady downward trend during 1989 and 1990, employment in commercial banks had an inconsistent upward trend during the same period. Employment in commercial banks in 1988 decreased in every month except February and October, and employment gains in those months were small.

This pattern changed in 1989, when losses in April and June offset most of the increase experienced in the other months. Employment in the first quarter of 1990 has shown some fluctuations, with January 1990 levels down 260 from December 1989, February employment up 127 from January, and March employment down 86 from February.

Figure 1. Employment at Savings Institutions and Commercial Banks in Arizona, 1988-March 1990



Source: *Arizona Department of Economic Security, Research Administration, 1988-1990*

Further shifts in employment from savings institutions to commercial banks — as a result of the recent sales of Western Savings and Loan Association and Merabank to BankAmerica Arizona — should show up in later 1990 data. And as the RTC continues to auction insolvent thrifts, employment in savings institutions should continue its downward spiral.

—Dennis Doby
RA Economist

Footnotes:

1. Cole, Rebel A., "Thrift Resolution Activity: Historical Overview and Implications," *Federal Reserve Bank of Dallas Financial Industries Studies*, May 1990, pp. 1-11.
2. Employment data used in this analysis are the product of a federal-state cooperative program in which state employment security agencies (SESAs) prepare summaries of employment and total pay of workers covered by unemployment insurance (UI) legislation. The summaries are a by-product of the administration of State Unemployment Insurance programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI.
3. The Standard Industrial Classification (SIC) system is the statistical classification standard underlying all establishment-based federal economic data. The structure of the SIC system makes it possible to tabulate, analyze, and publish employment data on four levels, according to the amount of industry detail considered most appropriate: The four levels are: division (one digit), major group (two digit), industry group (three digit), and industry code (four digit).
4. In 1988 and 1989, no employment in Arizona was classified in industry groups 601 and 608. Therefore, the change in employment in depository institutions was equal to the sum of the changes occurring at commercial banks, savings institutions, credit unions, and functions related to depository banking (industry groups 602, 603, 606, and 609).
5. Included in the SIC manual is a list of standard short titles that federal agencies may use in their publications.
6. Non-economic code changes in 1988 were held to the following year to avoid unrealistic fluctuations, thus distorting yearly averages. Any changes not reported in time to be made effective at the beginning of 1989 were carried over to the beginning of 1990.
7. Code changes are made at the four-digit industry level and can be found in the *Code Change Supplement*, which is created from the Annual Refiling Survey Control File. Data on two-, three-, and four-digit industry levels can be found in the *Code Change Supplement*. Data are classified by ownership type. Code changes referenced in this article apply only to private ownership. Due to changes in reporting requirements by BLS, there should be fewer non-economic code changes in 1990 data.
8. Because it takes six months to tabulate, analyze, and publish estalisment data generated by the UI system, only first quarter 1990 data are currently available for analysis.
9. Part of this loss may be attributed to a carry-over from the Annual Refiling Survey of 1989.

The Arizona Labor Force in October

Arizona's economy continues to outperform the nation's, registering an unemployment rate of 4.6 percent in October, down three-tenths of a point from September and more than a point lower than the national rate, which stayed at 5.7 percent.

The state's wage and salary employment growth also continued to outpace the nation's in October, with Arizona adding 17,300 jobs while the nation lost 68,000 jobs. In addition, in the past 12 months Arizona's wage and salary employment has grown 2.9 percent, more than twice the nation's increase of 1.3 percent.

Can Arizona maintain its upward direction while the nation falters and stalls? Those who contend Arizona has already seen its worst job losses in construction and manufacturing say yes. They argue that Arizona has already taken its hit for this cycle's downturn. As long as the national recessionary trough is short and shallow, Arizona need not fear being pulled into decline.

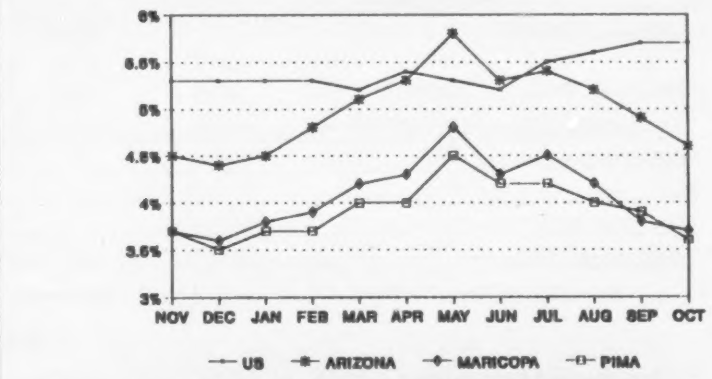
Through October, at least, Arizona's fortunes have been tolerable. Job growth was close to the post-1982, expansion average for the month. Most of the growth came in trade, services, and government — at about seasonal levels for trade and government, a bit less than seasonal for services.

Manufacturing was a counter-seasonal surprise. About 700 factory jobs were added in Arizona in a month when the nation lost 60,000 factory jobs.

Although 200 new manufacturing positions were in fabricated metals factories, 500 were among non-durable goods producers. Three hundred of those were among printing and publishing companies.

Transportation, communications, and public utilities, which until recent months was growing like gangbusters, posted an anemic 200 gain. Rapidly rising jet-fuel prices have already slowed the transportation industry's growth. While recently announced financial hemorrhages by Arizona-based airlines suggest there may be job losses to come, the opening of Barry Goldwater Terminal 4 at Phoenix Sky Harbor International Airport and recently announced federal awards of international routes portend a more favorable long-term outlook.

Figure 1. U.S., Arizona, and Maricopa and Pima Counties' Unemployment Rates, November 1989-October 1990



Source: *U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration*

Construction Shows Signs of Life

Construction's October performance was not bad when you consider that the nation lost 80,000 construction jobs during the month. Arizona lost only 200, about 700 fewer than is seasonally normal.

The construction-related finance, insurance, and real estate (FIRE) industry gained a seasonal 400. Rumors of continued easing of credit by the Federal Open Market Committee instill hope for improvement to come in construction and FIRE. Significant gains will probably not be apparent until spring, however. The state can expect additional construction losses in northern counties as winter creeps down from the San Francisco peaks.

By October, seasonal hiring by retailers normally begins in anticipation of Christmas. Indeed, Arizona retail trade added a seasonal-normal 4,700 jobs. The industry mix of job gains, however, suggests other-than-seasonal reasons for many of the posted gains. Department stores added the lion's share of jobs, gaining 2,100, nearly twice the seasonal normal. Openings of new and expanded malls probably account for those hires. Food stores and restaurants, on the other hand, had weak gains (200 when 800 is normal in food stores).

Reasons for weakness in restaurant hiring may be discernable from similar weakness in hotel services. Both industries may be anticipating a weak tourist season. While restaurants added only 800 of the normal seasonal 1,100, hotels posted its lowest October gain (400 of the normal 1,300) since 1981. Of course, higher fuel costs and a weakened national economy lend credibility to tourist industry caution.

While the tourist industry is looking a little pallid, health services is healthier. Health services added 500, a near-average gain for October if you discount substantial losses posted by the industry in 1983. Here, Arizona was in step with the national experience. The nation added 95,000 health-services jobs in October.

Government's 7,500 job gain is a continuation of back-to-school re-employment that started in September. Student-aid, part-time jobs were particularly prevalent among those gains.

—Ron Simon
RA Economic Analysis Manager

Arizona Labor Force and Employment

October 1990 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				Amount Change					Amount Change					Amount Change	
	Oct.* 1990	Sep. 1990	Oct. 1989	Sep.- Oct.	1989 - 1990	Oct.* 1990	Sep. 1990	Oct. 1989	Sep. - Oct.	1989 - 1990	Oct.* 1990	Sep. 1990	Oct. 1989	Sep. - Oct.	1989 - 1990
TOTAL CIVILIAN LABOR FORCE**	1751.3	1746.2	1705.9	+5.1	+45.4	1083.0	1102.9	1057.5	-19.9	+25.5	318.5	287.0	314.6	+31.5	+3.9
Total Unemployment	81.1	88.4	80.2	-7.3	+0.9	40.6	44.2	42.2	-3.6	-1.6	11.7	11.7	13.1	0.0	-1.4
Rate	4.6	5.1	4.7	—	—	3.7	4.0	4.0	—	—	3.7	4.1	4.2	—	—
Rate (Sea. Adj.)***	4.6	4.9	4.8	—	—	3.7	3.8	3.9	—	—	3.6	3.9	4.1	—	—
Total Employment	1670.2	1657.8	1625.7	+12.4	+44.5	1042.4	1058.7	1015.3	-16.3	+27.1	306.8	275.3	301.3	+31.5	+5.3

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
TOTAL WAGE AND SALARY	1527.1	1509.8	1483.5	+17.3	+43.6	1008.4	994.8	977.8	+13.6	+30.6	258.2	255.4	253.1	+2.8	+5.1
Manufacturing	188.9	188.2	188.4	+0.7	+0.5	139.6	139.2	140.0	+0.4	-0.4	27.1	27.0	27.2	+0.1	-0.1
Durable Goods	142.1	141.9	142.8	+0.2	-0.7	106.5	106.5	107.1	0.0	-0.6	21.5	21.4	21.8	+0.1	-0.3
Stone, Clay, and Glass	7.3	7.3	7.7	+0.0	-0.4	4.4	4.4	4.6	0.0	-0.2					
Primary and Fabricated Metals	15.8	15.6	15.7	+0.2	+0.1	10.6	10.5	10.7	+0.1	-0.1					
Primary Metals	7.8	7.8	7.7	0.0	+0.1										
Fabricated Metals	8.0	7.8	8.0	+0.2	0.0										
Machinery	58.1	58.2	59.7	-0.1	-1.6	47.5	47.7	49.2	-0.2	-1.7					
Aircraft and Missiles	27.4	27.4	26.2	+0.0	+1.2										
Lumber and Wood Products (Excluding Furniture)	8.0	7.9	7.6	+0.1	+0.4										
Nondurable Goods	46.8	46.3	45.6	+0.5	+1.2	33.1	32.7	32.9	+0.4	+0.2	5.6	5.6	5.4	0.0	+0.2
Food and Kindred Products	10.6	10.5	9.7	+0.1	+0.9	7.0	6.9	6.5	+0.1	+0.5					
Printing and Publishing	17.2	16.9	16.6	+0.3	+0.6	12.4	12.1	12.0	+0.3	+0.4					
Mining and Quarrying	12.7	12.7	12.2	0.0	+0.5	0.9	0.8	1.0	+0.1	-0.1	2.3	2.3	2.1	0.0	+0.2
Copper Mining	9.8	9.8	9.4	0.0	+0.4										
Construction	84.9	85.1	87.4	-0.2	-2.5	56.7	56.7	58.3	0.0	-1.6	14.8	14.7	15.1	+0.1	-0.3
Trans., Communications, & Public Utilities	81.0	80.8	77.7	+0.2	+3.3	57.3	57.2	54.5	+0.1	+2.8	9.8	9.7	9.5	+0.1	+0.3
Transportation	45.8	45.6	42.4	+0.2	+3.4	34.5	34.4	31.8	+0.1	+2.7	5.1	5.0	4.8	+0.1	+0.3
Communications and Public Utilities	35.2	35.2	35.3	0.0	-0.1	22.8	22.8	22.7	0.0	+0.1	4.7	4.7	4.7	0.0	0.0
Trade	380.2	374.8	369.5	+5.4	+10.7	257.5	252.3	248.3	+5.2	+9.2	59.8	59.5	59.6	+0.3	+0.2
Wholesale Trade	78.5	77.8	75.2	+0.7	+3.3	63.2	62.6	60.4	+0.6	+2.8	7.8	7.7	7.8	+0.1	0.0
Retail Trade	301.7	297.0	294.3	+4.7	+7.4	194.3	189.7	187.9	+4.6	+6.4	52.0	51.8	51.8	+0.2	+0.2
General Merchandise and Apparel	47.6	45.5	45.0	+2.1	+2.6	30.2	28.4	28.1	+1.8	+2.1	6.9	6.9	6.8	0.0	+0.1
Food Stores	48.6	48.4	49.8	+0.2	-1.2	31.2	31.0	31.7	+0.2	-0.5	7.9	7.9	8.3	0.0	-0.4
Automotive and Service Stations	36.6	36.5	35.4	+0.1	+1.2	23.4	23.2	22.4	+0.2	+1.0	5.7	5.8	5.8	-0.1	-0.1
Eating and Drinking Places	106.1	105.3	103.1	+0.8	+3.0	67.6	66.5	65.2	+1.1	+2.4	19.8	19.7	19.5	+0.1	+0.3
Finance, Insurance, and Real Estate	95.7	95.3	93.1	+0.4	+2.6	76.9	76.7	74.8	+0.2	+2.1	11.6	11.5	11.3	+0.1	+0.3
Services and Miscellaneous	412.8	409.5	394.6	+3.3	+18.2	279.1	276.2	266.8	+2.9	+12.3	75.6	74.6	72.4	+1.0	+3.2
Hotels and Lodging Places	45.8	45.4	43.0	+0.4	+2.8	28.6	28.0	26.4	+0.6	+2.2	6.7	6.4	6.3	+0.3	+0.4
Business Services	76.0	75.8	74.2	+0.2	+1.8	61.0	60.7	59.7	+0.3	+1.3	10.2	10.4	10.2	-0.2	0.0
Health Services	102.1	101.6	97.1	+0.5	+5.0	65.9	65.8	63.1	+0.1	+2.8	22.3	22.0	20.9	+0.3	+1.4
Government	270.9	263.4	260.6	+7.5	+10.3	140.4	135.7	134.1	+4.7	+6.3	57.2	56.1	55.9	+1.1	+1.3
Federal	47.2	47.7	45.7	-0.5	+1.5										

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics

Nonmetropolitan Counties
Labor Force and Employment
October 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,550	37,225	46,575	13,175	8,625	3,075	6,400
Total Unemployment	1,800	2,125	2,400	925	475	225	375
Rate	12.4%	5.7%	5.2%	7.0%	5.5%	7.3%	5.9%
Rate (Seas. Adj.)**	14.4%	5.9%	5.8%	7.3%	5.6%	7.3%	5.7%
Total Employment	12,750	35,100	44,175	12,250	8,150	2,850	6,025

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
TOTAL WAGE AND SALARY	15,175	26,675	44,125	11,725	5,475	3,000	4,025
Manufacturing	600	1,350	3,500	1,525	225	25	275
Mining & Quarrying	50	175	300	1,325	0	1,775	75
Construction	400	725	1,900	300	175	125	200
T.C.P.U.	1,925	1,850	2,725	500	175	50	125
Trade	1,875	5,650	10,125	2,675	1,375	225	1,275
F.I.R.E.	450	675	725	325	125	25	100
Services & Misc.	4,675	5,200	11,525	2,250	900	125	1,050
Government	5,200	11,050	13,325	2,825	2,500	650	925

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,525	28,975	38,625	12,325	41,725	60,125
Total Unemployment	2,150	2,600	2,325	2,075	1,700	9,675
Rate	5.6%	9.0%	6.0%	16.8%	4.1%	16.1%
Rate (Seas. Adj.)**	5.7%	9.8%	6.5%	13.7%	4.3%	19.0%
Total Employment	36,375	26,375	36,300	10,250	40,025	50,450

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	27,525	22,900	30,425	10,950	29,275	29,200
Manufacturing	2,600	2,000	4,050	975	2,250	2,825
Mining & Quarrying	50	1,175	3,650	0	950	75
Construction	3,250	1,425	475	375	2,650	1,375
T.C.P.U.	1,200	1,600	1,125	700	1,100	875
Trade	8,450	4,400	5,900	4,675	7,975	8,275
F.I.R.E.	1,250	450	850	300	950	950
Services & Misc.	6,250	5,350	4,725	2,000	7,300	6,700
Government	4,475	6,500	9,650	1,925	6,100	8,125

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Oct.* 1990	Sep. 1990	Oct. 1989	Oct.* 1990	Sep. 1990	Oct. 1989	Oct.* 1990	Sep. 1990	Oct. 1989
Manufacturing	420.33	424.32	411.84	40.3	40.8	41.6	10.43	10.40	9.90
Aircraft & Missiles	653.05	662.09	612.23	45.7	46.3	44.3	14.29	14.30	13.82
Food & Kindred Prod.	339.79	359.10	340.80	38.7	39.9	40.0	8.78	9.00	8.52
Primary Metals	524.49	513.79	482.61	38.2	38.2	36.7	13.73	13.45	13.15
Machinery	386.39	376.27	383.27	38.6	38.2	39.8	10.01	9.85	9.63
Copper Mining	613.99	608.14	568.00	43.3	44.1	42.9	14.18	13.79	13.24
Construction	455.81	462.28	439.82	38.4	38.3	37.4	11.87	12.07	11.76
Utilities	715.46	739.38	705.12	43.1	45.5	43.1	16.60	16.25	16.36
Retail Trade**	255.99	262.60	252.55	32.2	32.5	33.1	7.95	8.08	7.63
Wholesale Trade	392.05	391.95	389.44	38.1	39.0	39.1	10.29	10.05	9.96

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Oct.* 1990	Sep. 1990	Oct. 1989	Oct.* 1990	Sep. 1990	Oct. 1989	Oct.* 1990	Sep. 1990	Oct. 1989
Manufacturing	443.06	453.00	428.28	41.1	42.1	41.5	10.78	10.76	10.32
Construction	480.64	490.53	461.35	39.3	39.4	37.6	12.23	12.45	12.27
Retail Trade**	265.51	279.98	267.58	32.3	32.9	33.7	8.22	8.51	7.94
Wholesale Trade	414.20	412.06	407.09	38.0	38.8	39.6	10.90	10.62	10.28

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Oct.* 1990	Sep. 1990	Oct. 1989	Oct.* 1990	Sep. 1990	Oct. 1989	Oct.* 1990	Sep. 1990	Oct. 1989
Manufacturing	354.42	359.95	371.33	36.5	37.3	38.4	9.71	9.65	9.67
Construction	396.68	407.73	387.83	36.9	37.1	37.8	10.75	10.99	10.26
Utilities	616.90	667.28	553.68	40.8	43.9	38.8	15.12	15.20	14.27

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
October 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,751,306	1,670,195	81,111	4.6%
Apache	14,552	12,746	1,806	12.4
Cochise	37,222	35,092	2,130	5.7
Coconino	46,563	44,167	2,396	5.1
Gila	13,182	12,245	937	7.1
Graham	8,631	8,145	486	5.6
Greenlee	3,080	2,843	237	7.7
La Paz	6,396	6,026	370	5.8
Maricopa	1,082,977	1,042,421	40,556	3.7
Mohave	38,525	36,364	2,161	5.6
Navajo	28,973	26,374	2,599	9.0
Pima	318,411	306,753	11,658	3.7
Pinal	38,621	36,295	2,326	6.0
Santa Cruz	12,331	10,259	2,072	16.8
Yavapai	41,735	40,023	1,712	4.1
Yuma	60,108	50,443	9,665	16.1

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

(Continued from page 2)

- Changes from Unclassified — Required when a reporting unit that was assigned an "unclassified" code is assigned a specific industry or county code. (UI data are tabulated on a statewide and county basis.) This type of code change is made immediately.

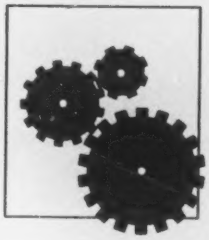
Many inaccurate codes are discovered through a process known as the Annual Refiling Survey. For the survey, state employment security agencies (SESAs) mail requests to businesses to verify that an establishment's location and industrial activity have not changed. If either one has changed, establishments are asked to provide updated information.

Because of the time involved in updating establishment data, major industry groups are surveyed on a rotating basis over a three-year period. The finance, insurance, and real estate (FIRE) division was surveyed in fiscal year 1989 and will not be canvassed again until fiscal year 1992.

—Dennis Doby
RA Economist

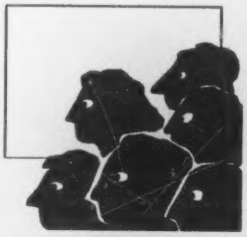
New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the *Arizona LMI Newsletter* *is not responsible for incorrect information reported by these sources.*



MANUFACTURING — Semiconductor manufacturer **BCT-Spectrum Inc.** of Phoenix will expand its operations with the opening of a new **38,000-square-foot facility in Tempe** in March, which will be used primarily for development purposes. Acquired four months ago by Balzers Ltd. of Liechtenstein, BCT-Spectrum needed the building at University Drive and 52nd Street to have room to increase its current work force from 60 to 150.

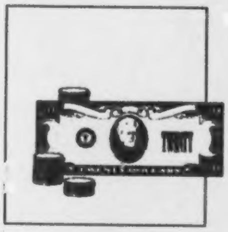
Massachusetts-based **Digital Equipment Corp.**, citing a computer-industry slump, is **closing its north Phoenix manufacturing facility**, eliminating 476 jobs. The Digital plant, which employed as many as 1,800 workers in 1982, was involved with making printers and repairing equipment, as well as distribution and financial management. Some employees, along with production tasks, are expected to be transferred to Digital's two Tempe facilities, which employ about 500.



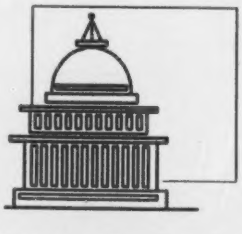
TRADE — Two warehouse-store giants continue their expansion ways in the Valley. San Diego-based **Price Savers Wholesale Warehouse Inc.** opened its **fourth Phoenix-area location** in mid-November, a 110,000-square-foot membership store at 317 S. 48th St. **Home Depot U.S.A.**, meanwhile, announced plans to build its **ninth Valley location**, at 75th Avenue and McDowell Road. Upon zoning approval, Home Depot will begin construction with a projected opening of early 1992.

SERVICES — A slowing economy hasn't slowed down **Humana Hospital-Phoenix**, which recently opened a $24 million cardiovascular center at its medical complex at 20th Street and Thomas Road, with confirmed plans to add two medical-office buildings (with a total of more than 100,000 square feet) and a parking garage at its Phoenix campus. In addition, Humana is considering adding another medical building next to its two office buildings in downtown Phoenix, acquiring hospitals in the west Valley and doubling its current work force of 42 at its Humana Health Care Plans office, 22nd Street and Camelback Road.

Tourism and Valley officials say it's too early to determine the fallout from the defeat of the **Martin Luther King holiday** on the Arizona's tourist industry. Prior to the National League of Cities' cancellation annoucement (10,000 people expected; $7 million in lost revenue), a *Business Journal* survey of the top 28 conventions planned for the Valley in 1991 showed no major casualities. Officials say the major problem may come with booking of future conventions.



FINANCE, INSURANCE AND REAL ESTATE — The city of **Tempe** won the battle with Salt Lake City for **Chase Manhattan Bank's fourth regional credit-card processing center**, which is expected to employ about 2,000 workers by 1995 and have an annual payroll of $20 million. When Chase moves into a new $40 million building at Mill Avenue and University Drive in early 1992, the New York-based bank is expected to initially employ 500, then increase its work force to 1,100 by late 1993, and reach full employment two years later. The state and private sector used a variety of incentives — job-training funds, tax credits, electricity discounts — to lure the corporate banking giant to the Valley.



GOVERNMENT — Two sites in eastern Arizona are under consideration for a $120 million project that would build 40 large-dish antennas for receiving radio waves to study the formation of galaxies and stars. The federal government is looking at sites near **Springerville** and **Alpine**, in addition to a location in New Mexico, for the **The Millimeter Array** project, which is expected to employ 90 people and have an annual operating budget of $6.5 million when it's fully operational in 1998.

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LABOR MARKET INFORMATION
NEWSLETTER

Vol. XV No. 1
January 1991

Unemployment Rate

Seasonally Adjusted
November *

ARIZONA – 5.5%
Maricopa Co. – 4.4
Pima Co. – 4.0
United States – 5.9

Consumer Price Index

U.S. – November 1990
Base = 1982-84

Wage Earner/Clerical Worker – 132.2
% Chg. Year Ago – 6.3

All Urban – 133.8
% Chg. Year Ago – 6.3

Phoenix – 4th Qtr 1990
Base = 1982-84

All Urban – 135.3
% Chg. Year Ago – 5.9

Tucson – 4th Qtr 1990
Base = 1982-84

All Urban – 133.8
% Chg. Year Ago – 3.9

*Preliminary

Breaking Free From

Arizona Joins Nation in Implementing Legislation Aimed at Eliminating Barriers to Employment for Country's Poorest

Inside This Issue **Page**

JOBS Program Offers Chance for Self-Sufficiency 2
Utah, Wisconsin Programs Prove Successful 5
The Arizona Labor Force in October 7
Arizona Labor Force Statistics 8
New Developments 14

DES **Arizona Department of Economic Security**
— Moving People Toward Self-Sufficiency

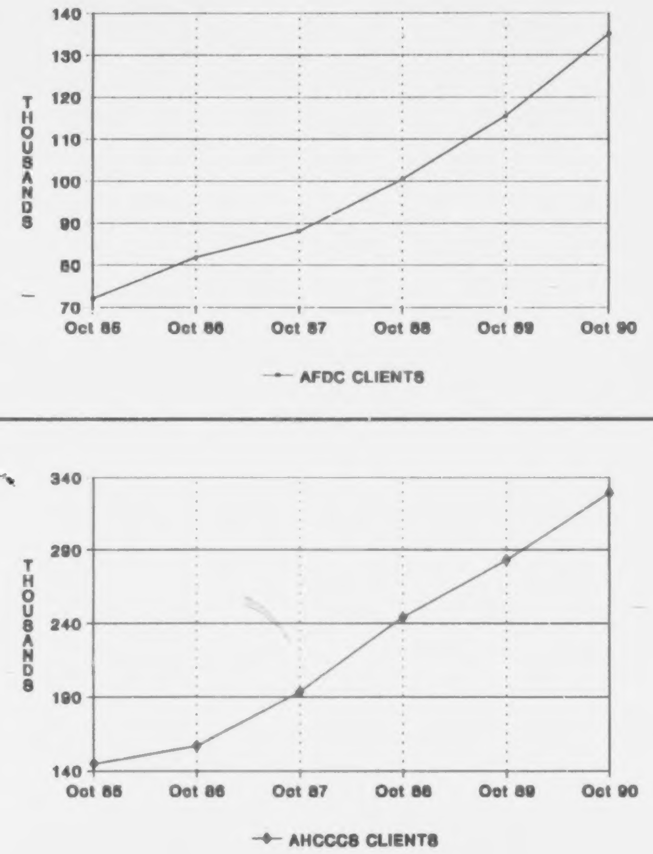
JOBS Program Offers AFDC Clients Chance to Become Self-Sufficient

In recent years, Arizona's two most widely used welfare programs — Aid to Families with Dependent Children (AFDC) and the Arizona Health Cost Containment System AHCCCS) — have been growing at alarming rates and consuming larger and larger chunks of the state's annual budget. However, if recently started welfare-reform legislation — designed to move persons from the welfare rolls to the payrolls — is successful, there may be a good chance of slowing down those programs' expansive appetites.

For the 12 months ending in September, among all states, Arizona had the third-fastest growing AFDC caseload at 23 percent,[1] double the state's 11.5 percent increase in fiscal year (FY) 1988 (July 1, 1988-June 30, 1989) and a little less than the projected increase for FY 1990.[2] Meanwhile AHCCCS, the state's Medicaid program, has been growing even faster. In the past three years ending December 1, the number of AHCCCS enrollees has more than doubled, going from 159,227 to 340,000.[3]

Although the federal government picks up about one-half of the state's tab for welfare programs, the amount of Arizona dollars spent on these programs is beginning to sound like national numbers. For example, if current projections for FY 1991 are correct, the state's annual AHCCCS costs will have increased five-fold in the past five years to about $580 million — about one-sixth of Arizona's $3.3 billion budget for FY '91.[4] That dramatic jump will have occurred despite the fact that the federal government has increased its share of AHCCCS funding in Arizona from 25.6 percent in FY 1986 to 47.9 percent in FY 1991, while the state slightly decreased its share from 51.5 percent to 46.9 percent.[5] (Counties, which also pay a portion of the costs, have seen their share drop from 22.9 percent to 5.2 percent in that time period.[6])

Figure 1. **Average Number of AFDC and AHCCCS Clients in Arizona in October, 1985-1990**



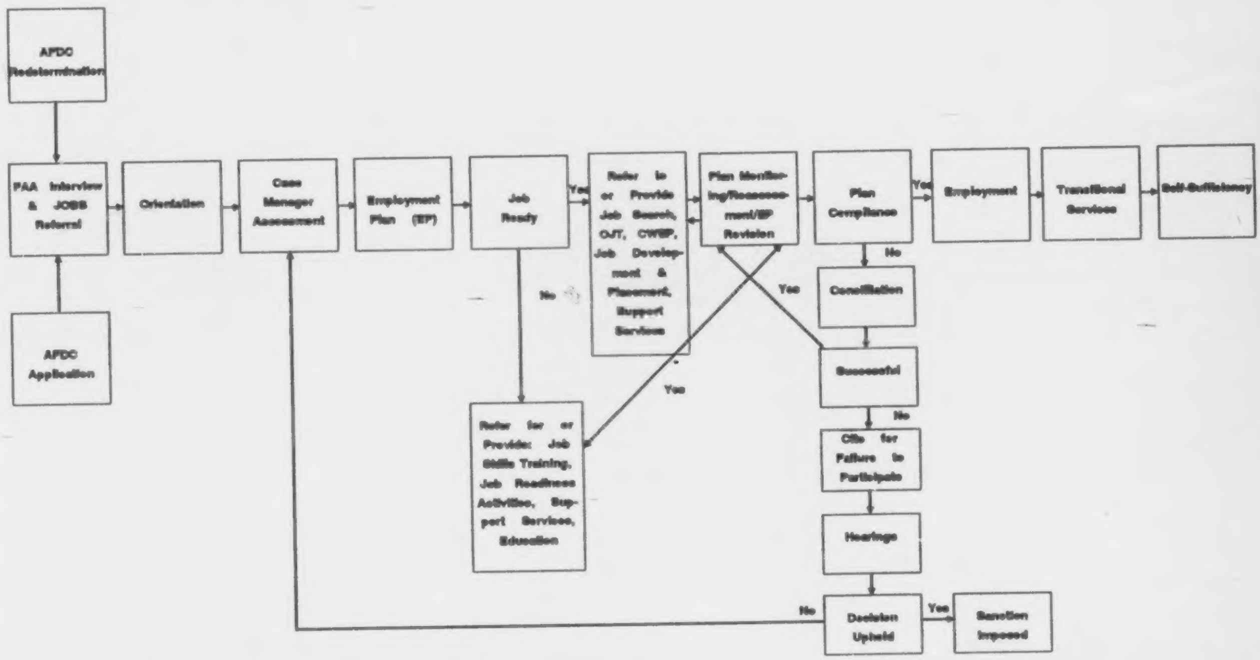
Sources: Arizona Department of Economic Security, Family Support Administration, December 1990; Arizona Health Cost Containment System, December 1990

Part of the rapid growth in Arizona's welfare population can be attributed to the state following a national trend of reaching out to the poor and enrolling them in several programs at one time.[7] In Arizona, for instance, once someone qualifies for AFDC they automatically are made eligible for other federal and state welfare programs (e.g., AHCCCS, food stamps), says Rob Roberts, a public information officer for AHCCCS.

Other reasons for the state's dramatic jump in welfare clients can be attributed to large in-migration — particularly by young families — during the past decade, the recent increase in new immigrants due to the passage of the 1986 Immigration Reform and Control Act, and the broadening of health care programs' client base to include such groups as pregnant women, infants, and the working poor.[8] And with a less-than-energetic Arizona economy, the short-term outlook for the state's welfare rolls (and thus the state's budget) doesn't look much brighter.

But at a time when prospects look dim for reversing this trend, a recently enacted piece of federal legislation — the Family Support Act of 1988 — offers one reason for optimism and possibly the best chance of helping AFDC recipients become self-sufficient. "The Family Support Act commits the federal government for the first time to the provision of increasing levels of

Figure 2. **Single-Parent JOBS Flowchart**


AFDC Redetermination
FAA Interview & JOBS Referral
AFDC Application
Orientation
Case Manager Assessment
Employment Plan (EP)
Job Ready
Yes
No
Refer to or Provide Job Search, OJT, CWEP, Job Development & Placement, Support Services
Plan Monitoring/Reassessment/EP Revision
Plan Compliance
Yes
Employment
Transitional Services
Self-Sufficiency
No
Conciliation
Yes
Successful
Yes
No
Refer for or Provide: Job Skills Training, Job Readiness Activities, Support Services, Education
Cite for Failure to Participate
Hearings
No
Decision Upheld
Yes
Sanction Imposed

Source: Arizona Department of Economic Security, September 1990

funding for education, training, and employment programs for AFDC recipients, as well as for the support services necessary to enable recipients to participate in these activities," says a report presented by a coalition of public-interest groups.[9]

One part of the bill that has been in effect for more than a year and has received wide media attention in Arizona requires states to strengthen enforcement for collection of child support. Another provision, which went into effect in Arizona on October 1, is the Job Opportunities and Basic Skills (JOBS) program, a state-mandated, welfare-to-work program that provides new incentives and enforcement strategies for getting AFDC clients back into the work force.

JOBS Replaces WIN

The JOBS program replaced federally funded Work Incentive (WIN) programs and consolidated other welfare-to-work provisions in federal law. Started in 1967, WIN began addressing the sticky budget and social issues of a growing welfare population by requiring most AFDC recipients with children under 6 to participate in employment and training programs. But "because of limited and, in fact, declining federal financing, relatively few AFDC recipients received substantial help in securing employment through WIN in recent years," says the public-interest group coalition.[10]

What distinguishes JOBS from WIN is that the new program: increases annual federal funding about 10-fold to about $1 billion a year,[11] targets specific at-risk populations and sets minimum requirements for education and participation; guarantees funding for support services — such as child and health care — while in training and after attaining employment; provides sanctions for those required to participate who refuse or drop out of the program; and allows two-parent households with ties to the work force to participate in JOBS and receive AFDC.[12] Also, the JOBS program allows states flexibility in setting standards for its program and in coordinating JOBS with existing education and training programs, such as the Job Training and Partnership Act (JTPA).[13]

Probably the two key components of JOBS are increased funding and the guaranteeing of support services, such as health and child care, says an official with the Department of Economic Security's Family Investment Initiative (FII), which is overseeing the state's JOBS program. "Services provided (by JOBS) are more intense services (than in the WIN program)" and that will help AFDC clients "to remain stable enough to have the ability to remain employed," says Greg Wetz, a FII project administrator. "(WIN) was based on placement. Now we're giving more case management."

Arizona's JOBS program, which will have maximum funding of up to $22 million in state FY '91,[14] is based and will use many of the coordination features of the state's welfare-to-work predecessor, a model WIN program called Arizona Works!. An outgrowth of state welfare-reform legislation passed in 1985, Arizona Works! was implemented at several sites in the state and coordinated resources among social service, education, and employment/training agencies at state and local levels.[15]

A former official with Arizona Works! says the program attained limited success with limited resources and fewer support services. Gloria Young, now an executive consultant for the Department of Economic Security's Employment and Training Administration, says Arizona Works! targeted about 25 percent of the state's AFDC enrollees as potential Arizona Works! participants, but only a small percentage went into JTPA education and training programs.

Under JOBS, however, the state will have the resources (and be required) to enroll a much higher percentage of AFDC clients into education and training programs and for longer periods of time. "With a person who has never worked before ... we no longer have the WIN restraint of getting them in and out of the program within a year," says Ruby Smalls, policy administrator for Arizona's JOBS program.

Like many states, Arizona's JOBS program is divided into two major areas — single-parent and two-parent — that *must* include several features for most of its clients: educational activities, including high school or equivalent education, and basic and remedial education for literacy and language proficiency purposes; jobs skills training; job readiness activities; job development and placement; and support services. Also, JOBS programs *must* include *at least two* of the following: group and individual job search; on the job training; work supplementation programs (where AFDC payments are diverted to subsidize job opportunities); and community work experience.

> *"The dream to be off welfare is a typical dream of an AFDC recipient. If they believe they will actually go to work, you'll get a lot of volunteers."*
>
> *—Ruby Smalls, Policy Administrator, Arizona JOBS Program*

Where states' JOBS plans begin to differ is within each program area, because the Family Support Act allows each state to make numerous choices concerning: funding, availability and time of implementation, exemptions, educational standards, and coordination of activities.[16] By far, the most significant choices Arizona made were motivated by funding and resource-availability considerations, the work-ethic philosophy of the state, and recommendations from the "Governor's Task Force Report on Welfare Reform (January 1989," say several state officials.

Two of those choices concerned time and area of implementation. The single-parent program — which will stress more education and job training than the two-parent program — is currently available in Maricopa and Pima counties and will be phased in statewide over the next two years, while the two-parent program has been available statewide since October 1. Also, in some rural areas where education and training facilities may be lacking, a more limited JOBS program may be offered. (Individuals in those areas, however, may be able to go out of their area for certain JOBS components, says Manny Mejia, DES Assistant Director, Division of Employment and Rehabilitative Services.)

Two other important options the state selected limit the time — six months in a year — an unemployed, two-parent family in JOBS can receive AFDC and require both parents to participate in JOBS, unless one is granted an exemption for good cause (e.g., age of child, illness). Both options are expected to encourage workers to move back into the work force as quickly as possible and save the state resources.

By limiting the time two-parent families can receive AFDC, the state wanted to make a distinction between the single- and two-parent programs, Wetz says. "It (the two-parent program) is a work program rather than an entitlement program," he says. "It's more intense and leads to quicker results for that particular population."

Single-Parent Program

All single-parent, adult AFDC recipients (age 16 and over) who are not caring for a child under 3 years old, or who are not otherwise exempt, are required to participate in some part of JOBS (e.g., education, skills training) as long as necessary child care is provided. AFDC clients with children under 6 will not be required to participate more than 20 hours per week, unless they are engaged in basic educational activities.

Single parents who are exempted from JOBS, however, can volunteer for the JOBS program and will be given priority in participating in JOBS over mandatory participants. Non-exempt individuals who refuse to participate or drop out of the program could be subject to sanctions, such as a loss of AFDC benefits.

Of the mandatory clients, some of the targeted groups include:

- parents under age 24 who have not completed and are not enrolled in high school or its equivalent.
- parents under age 24 who have little or no work experience.
- individuals who have received public assistance for at least 36 of the last 60 months.
- members of a family who will lose AFDC eligibility within two years because the youngest child, by virtue of age, will no longer qualify as a "dependent child."

One of the major requirements of the single-parent program is that some form of education must be offered to anyone who lacked a high school diploma or the equivalent. Specific groups to be targeted in Arizona are:

- adolescent parents of school-age (16- and 17-year-olds).
- young parents just beyond traditional

Success of Utah, Wisconsin Programs Should Be Good Omen for JOBS

Although taking a somewhat different approach, officials in Utah and Wisconsin believe their states are doing something right — and so do others — when it comes to welfare-to-work legislation.

And for good reason. Welfare-reform programs started by those states in the mid-1980s have been able to make a dent in their single- and two-parent households receiving Aid to Families with Dependent Children (AFDC), the country's largest welfare program.

Because of that success, many of the features of those state's programs were either included in some form in the Job Opportunities and Basic Skills (JOBS) program, created as part of the Family Support Act of 1988 (FSA), or have been adopted as optional components by states' JOBS programs.

Wisconsin Gov. Tommy Thompson ran on a platform of welfare reform in 1986, believing that welfare-to-work programs available at the time "didn't offer people opportunities to get an education and get a job," says Silvia Jackson, administrator of Wisconsin's Division of Economic Support (the counterpart to Arizona's Department of Economic Security). Subsequently, Jackson says, "Wisconsin secured a series of waivers from the federal government and put forth a program that now serves as a model for FSA."

Among some of the innovative features of Wisconsin's program were: lowering the age (from 6 to 2) a child can exempt welfare clients from having to enroll in a work program; extending the period for an earned income disregard — income that is excluded from taxes — from four months to 1 year; providing medical assistance for 12 months after a person in a program becomes employed; and suspending benefits if welfare children between the ages of 13 and 18 have too many unexcused absences from school.

In the first three years of operation (January 1987-December 1989), Wisconsin's welfare-to-work program (now JOBS) had a 19 percent drop in its AFDC caseload — from nearly 98,000 to about 79,000, Jackson says. And Wisconsin was the only state in the past 12 months ending in September, to have its AFDC caseload decrease (-2.1 percent), *The Associated Press* recently reported.[1]

In its four years of operation, Wisconsin's program has already met or exceeded all of the future federal participation and geographic requirements of JOBS (see "JOBS Program Offers ... ," p. 2), Jackson says. As of September, the state had fully implemented its single- and two-parent programs in all 72 of its counties, and about 58 percent (45,000) of Wisconsin's adult AFDC recipients were enrolled in JOBS programs.

Jackson credits the success of her state's program to a commitment to funding (currently about $42 million annually, excluding another $9 million for transitional child care) and offering a comprehensive program to both single- and two-parent families. "You have to invest in employment and training programs," Jackson says.

Utah, meanwhile, has been a pioneer in developing a time-limited, welfare-to-work program for unemployed, two-parent families. And partly because of its success, a time-limited, two-parent program is offered to states as an optional component of JOBS. (Arizona chose this option.)

In January 1983, when Utah began its Emergency Work Program, it was looking for a way to get the primary wage earner of an unemployed, two-parent family back into the work force as quickly as possible with the least amount of cost. At the time, Utah was coming out of a recession and had a limited amount of resources, but also recognized the "problems faced by unemployed, two-parent families with dependent children."[2] (Utah had discontinued an unemployed, two-parent program in

(Continued on page 6)

school age (18- and 19-year-olds) who have not completed high school or its equivalent.

- parents over age 20 who lack a high school diploma, to the extent they are required to participate in the JOBS program.

Two-Parent Employment Program

As required by the Family Support Act, Arizona will provide AFDC benefits and offer the JOBS program to unemployed, two-parent families if they meet income and resource requirements and the primary wage earner has had specified, recent ties to the work force. In addition, the state has selected two optional features that will limit the time two-parent families can receive welfare payments and require both parents to participate in the JOBS program.

Arizona's Two-Parent Employment Program is patterned after the Utah Emergency Work Program, enacted in 1983 as a way to help unemployed, two-parent families become self-sufficient while using limited state resources.[17] The Utah Legislature's "primary focus was on developing a time-limited, work-oriented program that would require job search and enhance participating in the regular labor market," says a University of Utah report.[18]

Gene Hofeling, an eligibility coordinator for the Office of Family Support within Utah's Department of Human Services, says his state's program has been "very successful" in getting the primary breadwinner of unemployed, two-parent families back into the work force quickly

(Continued from page 5)

1981 because of a sharp increase in AFDC caseloads and questionable success.[3])

Key requirements of Utah's program included:

- that the primary wage earner do a minimum of 32 hours a week of community work or adult education/training, and eight hours a week of job search.
- that the principal wage earner's spouse enroll with a Job Training Partnership Act (JTPA) program and perform job search or engage in adult education/training unless exempted for good cause (e.g., age of child, illness).
- benefit payments only be made after the family meets performance requirements.
- limiting assistance to six months in a 12-month period.

In terms of getting two-parent program participants into the work force and reducing state costs, Utah's program has been extremely successful, according to two University of Utah reports.

A 1987 study found that the average length of stay on AFDC for two-parent families dropped from 10 months in 1980 and '81 — when Utah had a two-parent program without a time limit — to 10 weeks between 1984 and 1987 when the time-limited option was in effect.[4] (It should be noted that the country was in a recession in 1980 and '81 and was expanding between 1984 and '87.)

The study also found that: 69 percent of people who entered the program found employment by the end of the six-month period, and 90 percent of those remained employed after three months; the mean hourly wage of those employed was $6.81 an hour; and because of the program's success, there was a reduction in the break-up of families.

As a result of the program, the study says "the cost of providing employment and job assistance was only about one-tenth of the Work Incentive Program (WIN) costs," due to time-limited benefits, clear performance requirements, payment after performance, and utilization of JTPA resources.[5]

A follow-up study between May 1989 and June 1990 showed slightly less impressive — but still positive — results. The study found that after the six-month benefit period ended, 53 percent of the people were employed and at an average median wage of $5 an hour.[6]

Gene Hofeling, an eligibility coordinator in the Office of Family Support within Utah's Department of Human Resources, says the results of the studies lead to two major conclusions. One, that with the time-limited option, participants "found jobs at higher wages than they would otherwise have found," he says. Also, the reduction in the AFDC caseload "supports the contention that when somebody is faced between a real job and assistance, they prefer the real job because of its ties to the work force," Hofeling says.

—Brent Fine
Arizona LMI Newsletter Editor

Notes:

1. "Welfare demand here soars," story by *The Associated Press* printed in *Tucson Citizen*, Nov. 30, 1990.
2. "Emergency Welfare Work and Employment: An Independent Evaluation of Utah's Emergency Work Program, Third Year Executive Summary," The Social Research Institute, Graduate School of Social Work, University of Utah, Frederick V. Janzen, Ph.D. and Patrick M. Cunningham, M.S.W., December 1987, p. 1.
3. Ibid.
4. Ibid, p. 6.
5. Ibid, p. 4.
6. "Utah Emergency Work Program Specialized Job Placement Study," The Social Research Institute, Graduate School of Social Work, University of Utah, September 1990.

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and has dramatically reduced AFDC caseloads and costs. Hofeling cites a University of Utah study that shows the average stay on AFDC for unemployed, two-parent families dropped by about 75 percent when Utah went from a program without time limits to one with the time-limited option.[19] (see "Success of Utah ...," p. 5).

Following are some of the major provisions of Arizona's Two-Parent Employment Program:

- to participate, the principal wage earner must 1) be currently unemployed and have been employed less than 100 hours in the past 30 days, and 2) have worked at least six out of the last 13 quarters within one year of application for AFDC.
- the principal wage earner must apply for unemployment compensation and not have recently refused an offer of employment or training.
- receipt of cash benefits will be time-limited to no more than six out of 12 months.
- AFDC payments are made only after the family meets performance requirements.
- both parents must participate in JOBS programs, unless one has been exempted (e.g., age of child, illness).
- families will be eligible for AHCCCS, even in months they receive no cash benefits, as long as they continue to meet AFDC eligibility requirements.
- although JOBS participants are only eligible for six months of AFDC benefits in a year, they will be allowed

(Continued on page 12)

The Arizona Labor Force in November

Data indicating a weakening economy began showing up in Arizona's labor force statistics in November. While the state's unemployment rate in October was still dropping as the nation's was rising, Arizona's rate in November, 5.5 percent, began catching up with the national rate, which rose from 5.7 percent to 5.9 percent.

The magnitude of change in Arizona's rate was substantial, rising 0.8 of a point from 4.7 percent in October. Arizona's metropolitan counties showed similar increases. Maricopa County's rate rose to 4.4 percent from 3.7 percent, and Pima County's climbed to 4.0 percent from 3.6 percent. Twelve of the 13 nonmetropolitan counties also had higher rates in November. Mohave County's rate held steady at 6.0 percent.

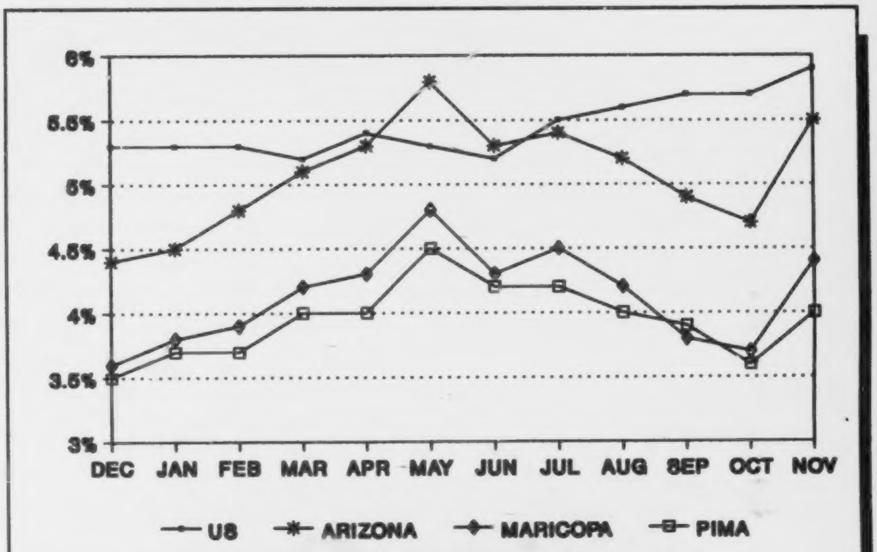
The reason for the sharp rise in the Arizona jobless rate was that unemployment climbed by 8,800 as total employment sank by 36,500. These directions of change are exactly opposite to normal seasonal trends. Not even in the last three recessionary years (1975, 1980, and 1982) has total employment declined in November, although it did decline by 12,900 in 1984. In addition, it is seasonally normal for unemployment to shrink by 2,600 in November.

Explaining the large decline in total employment in November is complicated by the fact that the number of payroll jobs increased 9,400. The implication is that job losses have primarily been among self-employed, unpaid family workers, domestics, or agricultural workers.

Retail Trade Racked Up Gains

The one industry most responsible for the growth of payroll jobs was retail trade. It enjoyed normal November growth of 2.3 percent (6,800 jobs). Better-than-seasonal growth might have been expected given the number of new stores that have opened this season.

Figure 1. U.S., Arizona, and Maricopa and Pima Counties' Unemployment Rates, December 1989-November 1990



Source: *U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration*

Government also contributed to the overall growth, adding 3,700 jobs, about a thousand more than seasonally average. Government growth was primarily among schools and other non-federal government. A large portion of these jobs were related to employment at the state fair.

Transportation Hits All-Time High

The transportation industry was back on the fast track in November, posting twice-normal seasonal gains, but it, too, may have been just catching up after a weak showing in October. Transportation added 800 jobs, achieving a record 47,000 employed in the industry.

Services contributed to November payroll employment growth, too, but by weak amounts relative to historical standards. Services added 800 jobs, only one-third of the November average since 1982. Weakness was evident in all three identified components of services: hotels and lodging places, business services, and health services..

Construction, Manufacturing Weak

October's more-than-seasonal strength in manufacturing and construction turned to more-than-seasonal weakness in November. After gaining 500 jobs in October, manufacturing lost 1,100 in November. The greater portion of these losses were in machinery manufacturing, and printing and publishing. Construction's minor 300 loss in October was followed by a 2,500 hemorrhage in November. Delayed seasonal losses and simultaneous completion of several major projects accounted for the decline.

Finance, insurance, and real estate added a seasonally weak 100 last month — not an unusual circumstance given construction's large decline. Despite recent publicity announcing layoffs by public utility companies, communications and public utilities only lost 100 jobs in November. Continuing losses can be expected in the months ahead.

In summary, November may mark the turn in Arizona's economic fortune's relative to the nation's. No longer is the state diverging from the national trend of downward employment and rising unemployment. Rather, Arizona appears to be falling in line with the rest of the country.

—Ron Simon
RA Economic Analysis Manager

Arizona Labor Force and Employment

November 1990 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				Amount Change					Amount Change					Amount Change	
	Nov.* 1990	Oct. 1990	Nov. 1989	Oct. - Nov.	1989 - 1990	Nov.* 1990	Oct. 1990	Nov. 1989	Oct. - Nov.	1989 - 1990	Nov.* 1990	Oct. 1990	Nov. 1989	Oct. - Nov.	1989 - 1990
TOTAL CIVILIAN LABOR FORCE**	1724.7	1752.4	1704.4	-27.7	+20.3	1066.7	1083.7	1057.5	-17.0	+9.2	311.5	318.5	312.4	-7.0	-0.9
Total Unemployment	90.4	81.6	73.5	+8.8	+16.9	45.3	41.2	38.5	+4.1	+6.8	12.3	11.5	11.2	+0.8	+1.1
Rate	5.2	4.7	4.3	—	—	4.2	3.8	3.6	—	—	3.9	3.6	3.6	—	—
Rate (Sea. Adj.)* **	5.5	4.7	4.5	—	—	4.4	3.7	3.7	—	—	4.0	3.6	3.7	—	—
Total Employment	1634.3	1670.8	1630.9	-36.5	+3.4	1021.4	1042.5	1019.0	-21.1	+2.4	299.2	307.0	301.2	-7.8	-2.0

Note: **Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs.**

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1537.5	1528.1	1496.8	+9.4	+40.7	1015.9	1008.8	988.5	+7.1	+27.4	259.7	258.5	255.1	+1.2	+4.6
Manufacturing	187.6	188.7	188.5	-1.1	-0.9	138.3	139.2	139.9	-0.9	-1.6	27.0	27.1	27.3	-0.1	-0.3
Durable Goods	141.2	141.9	142.7	-0.7	-1.5	105.6	106.3	107.0	-0.7	-1.4	21.4	21.5	21.9	-0.1	-0.5
Stone, Clay, and Glass	7.2	7.3	7.6	-0.1	-0.4	4.2	4.4	4.6	-0.2	-0.4					
Primary and Fabricated Metals	15.7	15.8	15.8	-0.1	-0.1	10.6	10.6	10.7	0.0	-0.1					
Primary Metals	7.7	7.8	7.7	-0.1	0.0										
Fabricated Metals	8.0	8.0	8.1	0.0	-0.1										
Machinery	57.6	58.1	59.8	-0.5	-2.2	47.0	47.5	49.2	-0.5	-2.2					
Aircraft and Missiles	27.4	27.4	26.2	0.0	+1.2										
Lumber and Wood Products (Excluding Furniture)	7.8	7.9	7.6	-0.1	+0.2										
Nondurable Goods	46.4	46.8	45.8	-0.4	+0.6	32.7	32.9	32.9	-0.2	-0.2	5.6	5.6	5.4	0.0	+0.2
Food and Kindred Products	10.5	10.6	9.8	-0.1	+0.7	7.0	6.9	6.6	+0.1	+0.4					
Printing and Publishing	17.0	17.2	16.7	-0.2	+0.3	12.1	12.4	12.1	-0.3	0.0					
Mining and Quarrying	12.7	12.7	12.3	0.0	+0.4	0.8	0.9	1.0	-0.1	-0.2	2.3	2.3	2.1	0.0	+0.2
Copper Mining	9.8	9.8	9.4	0.0	+0.4										
Construction	82.3	84.8	85.3	-2.5	-3.0	54.6	56.5	57.0	-1.9	-2.4	14.5	14.8	14.8	-0.3	-0.3
Trans., Communications, & Public Utilities	82.0	81.3	78.4	+0.7	+3.6	58.2	57.6	55.0	+0.6	+3.2	9.7	9.8	9.6	-0.1	+0.1
Transportation	47.0	46.2	43.1	+0.8	+3.9	35.6	34.9	32.3	+0.7	+3.3	5.0	5.1	4.9	-0.1	+0.1
Communications and Public Utilities	35.0	35.1	35.3	-0.1	-0.3	22.6	22.7	22.7	-0.1	-0.1	4.7	4.7	4.7	0.0	0.0
Trade	388.1	380.4	377.7	+7.7	+10.4	263.9	257.5	255.0	+6.4	+8.9	60.6	60.1	60.3	+0.5	+0.3
Wholesale Trade	79.6	78.7	77.2	+0.9	+2.4	63.9	63.4	61.8	+0.5	+2.1	7.8	7.8	7.8	0.0	0.0
Retail Trade	308.5	301.7	300.5	+6.8	+8.0	200.0	194.1	193.2	+5.9	+6.8	52.8	52.3	52.5	+0.5	+0.3
General Merchandise and Apparel	50.3	47.4	47.8	+2.9	+2.5	31.9	29.9	30.0	+2.0	+1.9	7.4	7.0	7.2	+0.4	+0.2
Food Stores	49.8	48.8	50.8	+1.0	-1.0	32.3	31.4	32.8	+0.9	-0.5	8.0	8.0	8.2	0.0	-0.2
Automotive and Service Stations	36.5	36.3	35.4	+0.2	+1.1	23.4	23.1	22.5	+0.3	+0.9	5.6	5.7	5.8	-0.1	-0.2
Eating and Drinking Places	107.7	106.3	104.0	+1.4	+3.7	69.1	67.7	66.1	+1.4	+3.0	20.1	19.9	19.7	+0.2	+0.4
Finance, Insurance, and Real Estate	95.8	95.7	93.6	+0.1	+2.2	77.0	76.9	75.4	+0.1	+1.6	11.6	11.6	11.3	0.0	+0.3
Services and Miscellaneous	414.3	413.5	398.6	+0.8	+15.7	280.6	279.8	270.2	+0.8	+10.4	75.9	75.6	73.1	+0.3	+2.8
Hotels and Lodging Places	46.2	46.1	44.3	+0.1	+1.9	29.2	29.0	27.8	+0.2	+1.4	6.8	6.7	6.5	+0.1	+0.3
Business Services	76.2	76.2	74.9	0.0	+1.3	61.2	61.0	60.5	+0.2	+0.7	10.3	10.3	10.1	0.0	+0.2
Health Services	102.9	102.3	98.1	+0.6	+4.8	66.4	66.1	63.6	+0.3	+2.8	22.5	22.2	21.1	+0.3	+1.4
Government	274.7	271.0	262.4	+3.7	+12.3	142.5	140.4	135.0	+2.1	+7.5	58.1	57.2	56.6	+0.9	+1.5
Federal	47.1	47.1	45.7	0.0	+1.4										

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

NOTE: Prepared by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Non-metropolitan Counties
Labor Force and Employment
November 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,675	36,625	45,700	12,975	8,400	3,000	6,100
Total Unemployment	2,275	2,625	3,050	1,200	550	225	400
Rate	15.5%	7.2%	6.7%	9.2%	6.5%	7.5%	6.6%
Rate (Seas. Adj.)**	18.0%	7.3%	6.9%	9.5%	7.0%	7.7%	6.4%
Total Employment	12,400	34,000	42,650	11,775	7,850	2,775	5,700

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
TOTAL WAGE AND SALARY	15,200	26,775	43,825	11,650	5,600	3,025	4,100
Manufacturing	600	1,225	3,500	1,550	225	25	275
Mining & Quarrying	50	175	300	1,325	0	1,775	75
Construction	400	700	1,950	275	175	125	225
T.C.P.U.	1,925	1,850	2,650	500	175	50	150
Trade	1,875	5,700	10,050	2,650	1,400	225	1,275
F.I.R.E.	475	675	700	300	125	25	100
Services & Misc.	4,650	5,150	11,375	2,225	900	150	1,075
Government	5,225	11,300	13,300	2,825	2,600	650	925

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	37,725	28,900	38,675	12,325	41,050	60,450
Total Unemployment	2,275	3,200	2,950	2,025	2,000	10,075
Rate	6.0%	11.1%	7.6%	16.4%	4.9%	16.7%
Rate (Seas. Adj.)**	6.0%	12.2%	8.1%	13.9%	5.2%	23.4%
Total Employment	35,450	25,700	35,725	10,300	39,050	50,375

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	27,725	22,900	30,875	11,375	29,425	29,525
Manufacturing	2,650	2,000	4,200	1,025	2,250	2,825
Mining & Quarrying	50	1,175	3,650	0	950	75
Construction	3,250	1,375	450	350	2,675	1,300
T.C.P.U.	1,225	1,600	1,100	775	1,100	925
Trade	8,550	4,425	5,925	4,975	8,000	8,525
F.I.R.E.	1,275	425	850	300	975	975
Services & Misc.	6,225	5,275	4,750	2,050	7,325	6,750
Government	4,500	6,625	9,950	1,900	6,150	8,150

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Nov.* 1990	Oct. 1990	Nov. 1989	Nov.* 1990	Oct. 1990	Nov. 1989	Nov.* 1990	Oct. 1990	Nov. 1989
Manufacturing	425.49	416.70	422.35	40.6	40.3	41.9	10.48	10.34	10.08
Aircraft & Missiles	679.58	651.62	634.65	46.9	45.6	45.3	14.49	14.29	14.01
Food & Kindred Prod.	331.13	344.16	340.38	37.8	38.8	38.9	8.76	8.87	8.75
Primary Metals	520.58	512.45	485.45	39.2	38.3	36.5	13.28	13.38	13.30
Machinery	385.00	373.98	393.38	38.5	38.2	40.1	10.00	9.79	9.81
Copper Mining	634.48	613.99	586.04	44.4	43.3	43.8	14.29	14.18	13.38
Construction	445.99	462.43	432.03	37.7	38.6	36.8	11.83	11.98	11.74
Utilities	717.12	736.27	695.70	43.2	44.3	43.4	16.60	16.62	16.03
Retail Trade**	254.55	257.75	255.64	32.1	32.3	33.2	7.93	7.98	7.70
Wholesale Trade	400.28	390.91	379.82	38.6	38.1	38.6	10.37	10.26	9.84

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Nov.* 1990	Oct. 1990	Nov. 1989	Nov.* 1990	Oct. 1990	Nov. 1989	Nov.* 1990	Oct. 1990	Nov. 1989
Manufacturing	464.78	446.71	443.52	42.1	41.4	42.2	11.04	10.79	10.51
Construction	469.94	487.04	453.73	38.3	39.5	37.1	12.27	12.33	12.23
Retail Trade**	267.49	265.52	267.26	32.7	32.7	33.2	8.18	8.12	8.05
Wholesale Trade	423.83	412.68	394.29	38.6	38.0	39.0	10.98	10.86	10.11

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Nov.* 1990	Oct. 1990	Nov. 1989	Nov.* 1990	Oct. 1990	Nov. 1989	Nov.* 1990	Oct. 1990	Nov. 1989
Manufacturing	376.87	354.05	377.33	38.3	36.5	38.7	9.84	9.70	9.75
Construction	388.80	395.63	384.38	35.9	36.7	37.5	10.83	10.78	10.25
Utilities	630.94	634.54	561.82	41.4	41.5	38.8	15.24	15.29	14.48

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs November 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,724,694	1,634,303	90,391	5.2%
Apache	14,680	12,409	2,271	15.5
Cochise	36,622	34,008	2,614	7.1
Coconino	45,696	42,656	3,040	6.7
Gila	12,984	11,776	1,208	9.3
Graham	8,417	7,857	560	6.7
Greenlee	3,007	2,773	234	7.8
La Paz	6,106	5,694	412	6.7
Maricopa	1,066,643	1,021,383	45,260	4.2
Mohave	37,742	35,459	2,283	6.0
Navajo	28,891	25,688	3,203	11.1
Pima	311,460	299,164	12,296	3.9
Pinal	38,658	35,720	2,938	7.6
Santa Cruz	12,327	10,307	2,020	16.4
Yavapai	41,030	39,041	1,989	4.8
Yuma	60,432	50,368	10,064	16.7

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

(Continued from page 6)

an additional 90 days — without AFDC — to finish a JOBS program.

Program Implementation

Under FII's direction, three Department of Economic Security (DES) divisions — Employment and Rehabilitation Services (DERS), Family Support (DFS), and Social Services (DSS) — will administer the various components of JOBS. DERS will establish JOBS policy, coordinate activities with other state agencies, and act as overall liaison with contractors. DFS will determine who is eligible for and exempt from JOBS; inform AFDC clients about the terms and conditions of the program, as well as refer them to JOBS office sites; and issue benefit payments to families. DSS will administer and authorize child care benefits.

Single-parent AFDC recipients will usually begin or be exempted from JOBS when they sign up for welfare benefits or when their eligibility case is reviewed, which occurs every six months. Additionally, DES hopes to attract a number of volunteers for JOBS through various means — inserts with AFDC checks, TV public service announcements, and community organizations. But probably the most successful route will be through word-of-mouth, says Smalls, who expects that a good percentage of the single-parent JOBS participants will be volunteers.

"Our history with the WIN program shows that as people heard about a program, they walked in the door. I see no reason that this will change," she says. "The dream to be off welfare is a typical dream of an AFDC recipient. If they believe they will actually go to work, you'll get a lot of volunteers."

The Family Support Act established "participation rates"[20] for JOBS programs, which can affect federal funding for state AFDC programs.[21] "Participation" is defined as "taking part in at least one of the state's designated JOBS components (other than orientation, assessment, case management or employability development) for a monthly average of at least 20 hours per week, except for educational components where the client must be making satisfactory progress."[22]

A 1989 study showed that 43 percent of the state's AFDC caseload were potential mandatory participants, with 66 percent living in Maricopa and Pima counties.[23] In addition, Arizona's JOBS plan says an estimated average of 388 single parents and 811 persons in two-parent families will be *served* each month — as opposed to being a participant — during the program's first nine months of operation.[24] But, Smalls says, because Arizona's AFDC caseload has been increasing at such large rates of late and the JOBS program has just started, it would be difficult at the present to estimate how many AFDC clients will be served or be considered participants during the program's first year of operation.

Much of the basic flow and job preparedness features (e.g., case management, education, skills training) of Arizona's JOBS programs resemble the operation of other work-re-entry programs going on in the state (Pima County ReEntry Program, Central Arizona Shelter Services; see *Arizona LMI Newsletter*, December 1989). And, with few minor exceptions, the single-parent and two-parent programs will operate as illustrated in the "Basic Jobs Client Flowchart" (Figure 2).

Maybe the most critical aspect of the JOBS program will be its case management, Mijea says. Case managers, who will be with clients from start to finish (which includes follow-up for 90 days after a participant takes a job), will: assess participants, develop employability plans, negotiate program-participant agreements, obtain and coordinate required services, monitor service delivery, and evaluate participant progress.

Case managers will play a particularly important role in developing an employability plan — a blueprint of a client's JOBS program — trying to ensure the participant comes up with realistic education and job goals. From the plan, a client will be required to negotiate and enter into a contract specifying the participant's and the state's obligations. If participants fail to meet their objectives or drop out of JOBS, they could lose their AFDC benefits or priority in getting back into the program.[25]

Finally, as mentioned earlier, support services are considered a key facet of JOBS that should provide welfare recipients enough of a cushion to become self-sufficient. Besides child and health care — which are available while enrolled in JOBS and up to 12 months after employment has begun — JOBS participants in Arizona are also eligible for non-recurring training and work expenses.[26] Included in these are: clothing, tools, licenses, dental restoration, optical services, as well as rental assistance for those who are homeless. Also, while in training, clients will be paid $6 a day for expenses related to transportation, lunch, and other incidentals.

Because of JOBS' beefed-up support services, AFDC clients now have one of the best opportunities to get off welfare, Smalls says. And transitional child and health care benefits, she believes, probably will be a key to doing that. "We know people return back to welfare (because) ... they tried to work and pay child care," she says. "We know that others went to work for employers who did not have medical benefits. Based on that they left the job when a medical problem came up for one of the children."

But in the end, Smalls cautions, even with enhanced support services, it will be up to the participants to put forth the effort and make sacrifices to make a successful transition from welfare to self-sufficiency.

"You have to get out there and make your world," Smalls says. "We can give you the skills to get you out there in that world, but I don't know any program that says, 'I'm going to make sure you have enough dollars to take care of you and your family.' "

For additional information on Arizona's JOBS programs, contact DES' Employment and Training Administration at 542-4016 or Family Investment Initiative at 392-0161.

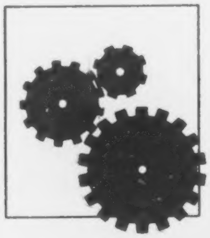
—Brent Fine
Arizona LMI Newsletter Editor

Notes:

1. "Welfare demand here soars," story by *The Associated Press*, printed in *Tucson Citizen*, Nov. 30, 1990.
2. Arizona Department of Economic Security, Family Assistance Administration.
3. Arizona Health Cost Containment System, December 1990.
4. Ibid.
5. Ibid.
6. Ibid.
7. "Welfare demand here soars," Associated Press story printed in *Tucson Citizen*, Nov. 30, 1990.
8. Ibid; also, "National Immigration Policy — Local Burden," *Population Environment Balance Report*, July 1990, pp. 1, 4-5.
9. "New Partnerships: Education's Stake in the Family Support Act of 1988," a statement by coalition of public-policy groups, 1989, p9. The groups include the: American Public Welfare Association, Center for Law and Social Policy, Center for the Study of Social Policy, Children's Defense Fund, Council of Chief State School Officers, Institute for Educational Leadership, National Alliance of Business, National Association of State Boards of Education, and National Governors' Association.
10. Ibid, p. 27.
11. Federal funding for JOBS, which states will match at varying rates (not to exceed 50 percent) depending on the service, was expected to be $400 million in federal FY 1990 (Oct. 1, 1990-Sept. 30, 1991), increase to $1 billion in FYs '91-'93; $1.1 billion in FY '94; $1.3 billion by FY '95, then leveling off to $1 billion in FY '96 and subsequent years. This is a dramatic increase from the $126 million Congress allocated for the WIN program in 1987 at a 90/10 federal/state matching rate.
12. "A Pocket Guide to Welfare Reform Legislation — Family Support Act of 1988, The JOBS Program," National Alliance of Business, April 1989.
13. Ibid.
14. Projections from Arizona Department of Economic Security, Office of Budget Policy, Planning and Project Control, December 1990.
15. *JOBS and Supportive Services State Plan*, September 1990, Section 2.5, pp. 1, 1a.
16. Ibid, numerous pages; also, "New Partnerships:

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.



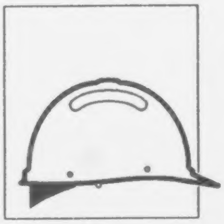
MANUFACTURING — The **city of Glendale** received an early Christmas present when **Luso-America Corp.** announced it will **build a factory** there that will make products ranging from wind turbines to night-lighting towers for golf courses and ski resorts, as well as do research on high-speed helicopters. Luso-America, a subsidiary of Japan-based Luso, has purchased 100 acres near Glendale Municipal Airport for construction of a 360,000-square-foot facility that is expected to employ up to 1,000 workers within five years. Plant construction is expected to begin immediately so that operations can begin by August. Luso-America also plans to build a helicopter-maintenance facility at the airport.

—

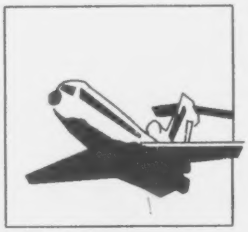
A Japanese company that makes crystals used in the medical and petroleum fields, as well as for high-energy physics projects, has selected **Tempe** for its first U.S. manufacturing facility. **Horiba Instruments Inc.**, a subsidiary of Horiba Ltd. of Kyoto, Japan, is already operating out of a 12,000-square-foot building at 2520 S. Industrial Park Drive. Horiba will initially employ 30 workers, but expects to expand its work force at set intervals over the next five years.

—

Due to cancellation of federal contracts, **Motorola Inc.'s Government Electronics Group in Scottsdale and Chandler will eliminate 400 to 500 jobs** in 1991. The Motorola division, which employs about 7,000 people, will offer a voluntary-severance package that will pay workers a week of salary for each year worked. Motorola's Semiconductor Products Group in Phoenix will not be affected by this layoff.



CONSTRUCTION — The extension of the East Papago Freeway (Loop 101) in the Valley heads a group of road projects in nine counties, which total more than $64 million, recently awarded by the Arizona Department of Transportation. **FNF Construction Inc.** of Tempe, with a bid of $32.[illegible] million, was chosen to complete a series of bridges and on-off ramps on a three-mile corridor of the East Papago Freeway. Other projects include: a $5.5 million to Ralph L. Wadsworth Construction Co. of Salt Lake City to build several structures on the Deck Park over Interstate 10 in Phoenix; and a $5.7 million project awarded to FNF Construction to widen five miles of Maricopa Road in Pinal County.



TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES — **Salt River Project**, the state's second largest utility, which primarily services the Phoenix metro area, announced it will cut expenses by $700 million over the next six years and **eliminate 414 full-time and 263 contract positions**. The planned move follows the implementation of cost-cutting measures and the dropping of 700 jobs in 1990. SRP, which currently has 5,300 employees, cited a need to keep utility rates competitive with the state's largest utility, Arizona Public Service Co.

TRADE — Convenience store chain **Kwik-Stop** expects to **add**

Education's Stake in the Family Support Act of 1988," a statement by a coalition of public-policy groups, 1989, Appendix A, p. 23.

17. "Emergency Welfare Work and Employment: An Independent Evaluation of Utah's Emergency Work Program, Third Year Executive Summary, The Social Research Institute, Graduate School of Social Work, University of Utah, Frederick V. Janzen, Ph.D. and Patrick M. Cunningham, M.S.W., December 1987, pp. 1-2.

18. Ibid, p. 1.

19. Ibid, p. 3.

20. In order to receive enhanced federal funding (60 percent or more vs. 50 percent), the Family Support Act of 1988 says 7 percent of the eligible AFDC caseload must be enrolled in the program in federal FY 1990 (Oct. 1, 1990-Sept. 30, 1991), 11 percent in FYs 1992 and 1993, 15 percent in FY 1994, and 20 percent in FY 1995. Also, beginning in 1994, 40 percent of the two-parent families in the state eligible for AFDC must participate in a public service work activity for at least 16 hours per week. The rate increases to 75 percent by 1997.

21. "Currently, Arizona has only applied for 50 percent funding for its state AFDC program.

22. Ibid, p. 25.

23. *Arizona Family Investment Initiative Fact Sheet*, pp. 6-7.

24. " 'Persons to be served' " are those applicants/recipients who the State anticipates will be engaged in *any level* of activity ... and will therefore be a different number from the final yearly participation rate." *JOBS and Supportive Services State Plan*, September 1990, Section 3.2, p. 1.

25. "New Partnerships: Education's Stake in the Family Support Act of 1988," a statement by a coalition of public-policy groups, 1989, Appendix A, p. 24.

26. *JOBS and Supportive Services State Plan*, September 1990, Section 5.3, p. 1.

three to four stores a year in the Phoenix metropolitan area, primarily in the northeast and southeast parts of the Valley. Based in Cave Creek, Kwik-Stop currently employs 125 and has annual sales of $27 million.

Store Wars. The competitive movie-rental business will become even more competitive in the Valley if planned expansion by **West Coast Video** comes to fruition. The Philadelphia-based chain, which has 700 franchise locations (some under the "National Video" name), **wants to have 20 to 25 stores in the Phoenix area within two years**. See you at the movies!

The recent opening of a refurbished Prescott train station is the beginning of a planned **15-acre retail development between downtown Prescott and Granite Creek**. Called **Depot Marketplace**, the first part of the project, which will open this year, will include a restaurant and retail shops inside the train station, and an Albertson's supermarket and Walgreen's drugstore nearby.

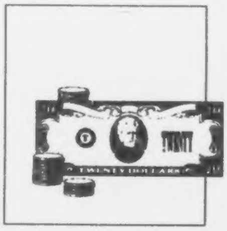
SERVICES — **Scottsdale Memorial Health Systems Inc.**, which operates two hospitals in Scottsdale and employs 3,400 workers, says it will build a 40-acre medical campus in north Scottsdale beginning in two to three years. The multi-million dollar project, which will be located near the Central Arizona Project viaduct, will include office buildings, clinics, a nursing home, an acute-care operation, and possibly a medical mall. In addition, the health-care provider says construction of a 30,000-square-foot medical building at the Scottsdale Memorial-North facility, 92nd Street and Shea Boulevard, will begin next year.

FHP Health Care, the third-largest health-maintenance organization in Arizona, plans to **open a medical center in Green Valley**, 20 miles south of Tucson, in January. The Green Valley facility, at 1151 S. LaCanada, is part of multi-million dollar expansion program by FHP that calls for building of four medical centers in Pima and Maricopa counties.

Beg Your Pardon

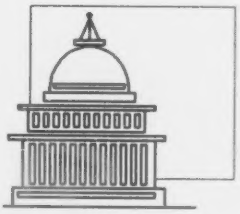
Some data referenced in a story and table on the projected growth of the Phoenix area, published in the November *Arizona LMI Newsletter*, were incorrectly reported. Figures in a table showing "Total Personal Income," should have been in "millions," not "thousands" of dollars. Also, the text should have said the Phoenix area's total personal income is expected to rise to $48.8 billion in the year 2000 from $34.1 billion in 1988.

Stories on Arizona's Job Service, expected to be published in this month's *Arizona LMI Newsletter* as a follow-up to a November 1990 *LMI Newsletter* article, will be published in a later issue this year.



FINANCE, INSURANCE AND REAL ESTATE — **Caliber Bank, Phoenix**, which began operations in Arizona about a year ago, expects to **double its work force of 100** by this spring with the addition of five branch offices and three financial-services companies in the Phoenix area. The financial-services companies, which will operate under the Caliber name, involve mortgage lending, financial leasing, and electronic banking. Caliber, a subsidiary of Valley Capital Corp. of Las Vegas, currently has five branches in the Valley and assets of $225 million.

Sun State Savings & Loan Association of Phoenix, with its three branches in the state, ceased operations in early December when the Resolution Trust Corp. (RTC) was unable to find a legitimate offer for the failed thrift. **Bank of America Arizona** agreed to service Sun State Savings accounts, which total more than $800 million, while the federal government will sell the rest of Sun State's assets. No information was released on the fate of former Sun State employees.



GOVERNMENT — A slowing economy has adversely affected employment prospects at the state of Arizona and the state's largest city. A $22 million budget shortfall will force **the city of Phoenix to eliminate about 300 positions** in January, the first reduction in force since 1982. The cuts, which will likely hit the police department the hardest, will be accommodated through early retirement and layoffs. The state, meanwhile, has **issued a hiring freeze on all non-federally funded positions** and Governor Mofford has requested agency heads to submit plans for budget cuts up to 7 percent for the current fiscal year, which ends June 30. The state is forecasting more than a $100-million budget deficit for the current fiscal year.

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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XV No. 2
February 1991

Unemployment Rate

Seasonally Adjusted
December *

ARIZONA	–	5.9%
Maricopa Co.	–	4.7
Pima Co.	–	4.3
United States	–	5.9

Consumer Price Index

U.S. – December 1990
Base = 1982-84

Wage Earner/Clerical Worker	–	132.2
% Chg. Year Ago	–	6.1
All Urban	–	133.8
% Chg. Year Ago	–	6.1

Phoenix – 4th Qtr 1990
Base = 1982-84

All Urban	–	135.3
% Chg. Year Ago	–	5.9

Tucson – 4th Qtr 1990
Base = 1982-84

All Urban	–	133.8
% Chg. Year Ago	–	3.9

* Preliminary

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Labor Shortages

Talk of Future Worker Shortfall Requires Understanding of Supply-Demand Principles

Inside This Issue

	Page
"Labor Shortage" an Often Misunderstood, Misused Term	2
RA Survey Suggests Employers Sensing "False" Shortage	5
The Arizona Labor Force in December	7
Arizona Labor Force Statistics	8
New Developments	13

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

'Labor Shortage' an Often Misused, Misunderstood Term

Many Factors — Low Wages, Unemployment — Can Distort Perception of Labor Supply

Are there, or are there not major and widespread labor shortages in America and in Arizona? That may seem like an inappropriate question when the unemployment rate is rising, but recently there has been much national discussion of impending shortages resulting from slowing population growth and aging of baby boomers. Nevertheless, an answer often depends on one's perception of what is a "normal" supply of workers.

In an article in the winter 1988 issue of *Occupational Outlook Quarterly*, titled, "Labor Shortages: Menace or Mirage?" author Jon Sargent lays out the various causes of labor shortages from an economist's view. Sargent says that shortages result:

"... when jobs go vacant as employers seek to hire more workers than are willing to work at the prevailing wage or salary. In theory, most labor shortages should disappear as employers increase wages to attract more workers; because of the wage increase, employers must scale back the number of workers they employ. A shortage results when adjustment is slow in one of the three variables: the supply of workers, the demand for workers, and the wage rate."[1]

Sargent also discusses "false" labor shortages. These, he contends, include those so labeled by employers who do not want to pay a new, higher prevailing wage. As long as they cannot get employees at a former lower wage, they consider the labor supply to be inadequate. This is a false labor shortage, Sargent says, because jobs do not remain vacant at the new prevailing wage.[2]

> *" ... A shortage results when adjustment is slow in one of the three variables: the supply of workers, the demand for workers, and the wage rate."*
>
> *—Jon Sargent,*
> *Economist,*
> *U.S. Department of Labor*

A similar perception of shortage occurs during periods of low unemployment. Employers accustomed to choosing a near "ideal" candidate from large numbers of applicants feel there is a shortage when there are fewer applicants who are qualified and none are ideal.

Sargent concludes his article by dissolving the "mirage" that there is likely to be a general shortfall of U.S. workers — involving any broad demographic or educational group — through the year 2000.

Even the shortage of teen-agers for low-skill, low-pay jobs resulting from the birth dearth following the baby-boom generation is explained away by Sargent. Again, higher wages is the solution, he contends, since unemployment rates for teen-agers remain three- to four-times higher than rates for the labor force as a whole. Higher wages, he says, would attract more teenagers from the inner city to the suburbs — where the service jobs are located — offsetting the additional cost of transportation.[3]

Sargent and others recognize that there can be shortages in the short term, however. Supply-inflexible shortages occur when raising wages fails to attract adequate numbers of applicants. This can happen when long lead times are required to train sufficient workers. Teachers and registered nurses (see below) are cited as examples of occupations requiring long training periods.

In addition, wages may be inflexible because raising wages for a given occupation might require raising them for other occupations, or for present employees currently being paid less. Total costs of raising wages may make it impossible to offer a new higher wage to attract a few additional workers in a specific occupation[4]

Arizona's Labor Supply Survey

The Arizona Department of Economic Security (DES), Research Administration recently completed a survey of employers in targeted industries to determine if the Immigration Reform and Control Act of 1986 (IRCA) has made it difficult for employers who are in industries (e.g., agriculture, hotels, restaurants) that traditionally hired undocumented workers to find suitable workers in adequate quantities in the state.

Congress enacted IRCA with the intent of curtailing the inflow of undocumented workers, in part by placing sanctions on employers for knowingly hiring undocumented workers. IRCA also offered permanent resident alien status to undocumented aliens who could prove they had lived in the United States for specified periods of time.

It follows, therefore, that if a given supply of workers has been cut off, or at least diminished, there may be employers who find it difficult to replace that supply. The U.S. Job Service subsequently elected to conduct surveys of perceived shortage areas and to publicize that it is available to help meet labor needs with available U.S. workers.

The data from the DES survey, along with results from a similar survey Research Administration conducted in 1988 and 1989, shows that indeed many employers in industries that traditionally hired undocumented workers *believed* there were shortages, or feared there would be shortages (see "Employers Sensing 'False' Shortage ... ," p. 5). But both studies concluded there has not been a major shortage problem in these areas in Arizona.[5]

The seeming contradiction in the Arizona studies between the perceptions of some employers and the conclusions of the researchers can be resolved in definitions, inherent or explicit, of shortage.

Employers perceive shortages based on the desire to continue to operate — as nearly as possible — as they had before the passage of IRCA. That is, wages would be offered that would not require raising the price of the products, or lowering profits, and recruitment of labor would continue by informal (low cost, no hassle) means such as by word-of-mouth (through family members already employed), or by hiring walk-ins.

Implicit in IRCA, on the other hand, is the postulate that it is not an undue burden on employers to raise wages, improve working conditions, and use additional means of recruitment in order to attract workers. Concerning the latter, the Job Service is another, and often under-utilized, low-cost recruitment method that employers are already subsidizing through unemployment insurance taxes.

The Job Service is specifically mandated by IRCA to offer its recruitment services to employers to help overcome any effects of the immigration-reform law perceived deleterious by employers. Job Service agencies in selected western states have also been mandated through regulations of the Labor Department to initiate a newsletter that tells where agricultural workers and jobs are located, which is useful to employers, as well as workers.[6]

The regulations require that the newsletter, called the Farm Labor Information Bulletin (FLIB), be printed in English and Spanish, be circulated among farms and ranches, and be read over radio stations that broadcast agricultural news and Spanish-language programs. California has been experimentally producing and circulating such a newsletter since 1989, and Arizona will join as a co-producer in 1991.

New Legislation Does About-Face

Two recently enacted immigration-reform bills, however, seem to be taking the country in another direction, quite different from IRCA. The Immigration Nursing Relief Act of 1989[7] and the Immigration Act of 1990[8] expand the importation of labor with technical skills, with an eye toward quickly alleviating U.S. labor shortages and enhancing the country's competitiveness in the world economy.

Types of Labor Shortages

Labor Shortage (Traditional) — Occurs when employers are unable to attract workers at the prevailing wage — wages paid for an occupation in a specific area. Normally shortages disappear when wages increase or when employers' demand slackens because they're unable to pay higher wages.

Supply-Inflexible Labor Shortage — Despite increased wages, a shortage of applicants still exists. Primarily occurs in occupations where large amounts of education and training are required (e.g., nurses, computer programmers).

Wage-Inflexible Labor Shortage — Even with an adequate supply of labor, a shortage persists because a sector is slow to react to changing market conditions. This type of shortage often occurs in the public sector (e.g., universities), forcing individuals to take private-sector jobs.

False Labor Shortage — Occurs when employers believe there is a shortage, but in reality are unwilling to pay prevailing wages to attract workers. Frequently occurs in low-paying occupations (e.g., farm workers, dishwashers) in the agricultural and service sectors.

Passage of the two bills suggests it *is* too burdensome on employers to raise wages, improve working conditions, and use additional means of recruitment, or perhaps even underwrite training. Or, at the very least, the new laws imply that there isn't time for American employers to make needed adjustments, therefore necessitating the importation of workers with needed skills.

At the signing of the Immigration Act of 1990, President Bush said: "Immigration reform began in 1986 with an effort to close the back door on illegal immigration. Now as we open the front door to increased legal immigration, the bill provides long-needed enforcement authority."[9]

The Immigration Nursing Relief Act of 1989 specifically identifies professional nurses as a shortage occupation. To ensure that the country's health service industry is adequately staffed, the law permits employers to temporarily import alien nurses. It requires that petitioning employers make "attestations" that employing alien nurses will not damage the working conditions of nurses already employed here, and that alien nurses will be paid on par with other nurses similarly employed.[10]

The U.S. Job Service and its organizational parent, the Employment and Training Administration (ETA), is also involved with administration of this national policy. ETA's role is to: (1) receive, review, and accept or reject employer attestations; (2) make attestations available to the public; and (3) notify the Immigration and Naturalization Service (INS) of those attestations on file with the Labor Department.[11]

Individual states have a role to play, too. DES' Employment and Training Administration (ETA), with help from DES, Research Administration, must certify that wages offered by petitioning employers are comparable to those prevailing in the area. Research Administration has expertise in this area from conducting wage surveys, participating in the state's Joint Governmental Salary Survey,[12] and tabulating and publishing wage data from Job Service job orders.

Call for Institutional Change

Although it is one thing to insure that wages and working conditions are not degraded when aliens are permitted to be employed, it is another thing entirely to foster cultural or institutional change that will enable the country to meet its own demand for nurses.

Table 1. Average Vacancy Rates for Registered Nurses at Arizona Hospitals, 1989

	Bedsize			Location	
	≤100	100-299	300+	Urban	Rural
Minimum*	0.0%	0.0%	1.0%	0.0%	0.0%
Average**	16.6	9.5	7.6	8.3	18.5
Maximum***	50.0	25.0	21.0	28.0	50.0

	1989	1988
Overall RN Vacancy Rate	12.7%	11.8%
American Hospital Association Mountain Region	NA	9.6%

* Represents the minimum or lowest vacancy rate
** Represents the average of individual-hospital vacancy rates
*** Represents the maximum or highest vacancy rate

Source: Arizona Hospital Association, April 1990

The Nursing Relief Act of 1989 addresses this issue by requiring petitioning employers to take "timely and significant steps designed to recruit and retain sufficient RNs who are U.S. citizens, or immigrants who are authorized to perform nursing services, in order to remove as quickly as reasonably possible the dependence of the facility on non-immigrant RNs." As an alternative, the facility may be subject instead to "an approved state plan for the recruitment and retention of nurses."[13]

So far, no state plan has been initiated in Arizona, although one may yet be drafted if a significant number of employers petition for non-immigrant RNs. A spokesperson for the Arizona Hospital Association (AHA), Barbara Tweedy, says she is unaware of any plans by member hospitals to recruit nurses under provisions of the Immigration Nursing Relief Act.

There is currently a 12 percent vacancy rate of registered nursing positions among member hospitals, Tweedy says. This rate is about normal for Arizona, she says, and compares closely with a national rate of 10.6 percent.

According to the *1989 Nursing Demand Survey*, published by AHA, member hospitals are using various means to deal with the shortage, including alternative staffing mechanisms, proactive recruitment methods, and improved utilization of present nursing staff.[14]

The Arizona Nurses Association takes the same position on the act as its parent organization, the American Nurses Association, says Dr. Cathleen Wilson, the Arizona group's executive director. Dr. Wilson says foreign nurses have been imported for years under provisions of other authority, not-withstanding the Immigration Nursing Relief Act.

In fact, the American Nurses Association was consulted when the nursing-immigration legislation was being drafted. The association had two main concerns: (1) that foreign nurses meet the same license requirements of local nurses, and (2) foreign nurses be paid the same level of wages as local nurses. Both concerns are addressed by the act.

Immigration Act of 1990

When the President signed the Immigration Act of 1990, he said the bill's provisions increasing the number of employment-related immigrants "will promote a more competitive economy."[15]

The law, which is much broader and more general than the Immigration Nursing Relief Act, allows a nearly 200 percent increase in skill-based immigration. Annual skilled-based immigration is raised to 140,000 from 54,000 under previous immigration law.

A White House fact sheet released at the time of the signing says the increase is designed to "help relieve labor shortages in key technical areas and improve the competitiveness of the work force." Among the skilled-immigrant group increases permitted by the act, 10,000 visas are reserved for entrepreneurs who invest $1 million in new companies that employ 10 U.S. workers, or who invest $500,000 in companies in depressed rural areas.[16]

Congress' effort toward immigration reform, which resulted in the 1990 Immigration Act, had more than one goal. Two others included raising allotments to permit more European immigration — to balance Hispanic and Asian immigration — and providing for a modicum of relief to Hong Kong citizens who face dominion of communist China in 1997 and may want to emigrate. The investor provision was in part directed toward potential Hong Kong immigrants.[17]

Alaska and Labor Shortages

In the middle of 1988 and winter of 1989-1990, the state of Alaska experienced labor shortages, an unusual circumstance for that state given that it pays some of the highest wages in the country. Making the problem more acute was the Exxon Valdez oil spill in 1989 — resulting in demand for labor to assist with clean-up — and the fact that the shortages occurred on the heels of a local recession.[18]

Shortages were primarily reported in restaurant and retail trade jobs, but in some cases among professionals such as accountants, computer programmers, and lawyers.

In a publication on Alaska's economy, Alaska's Labor Department cited the following factors as contributing to the state's shortages: (1) national demographic trends of a shrinking youth cohort (ages 16-25), the age-group most likely to migrate to Alaska; (2) residual negative impressions

(Continued on page 6)

Employers Sensing 'False' Shortage, Survey Suggests

Preliminary analysis of a labor-shortage survey conducted in 1990 indicates that, in general, no true shortage of labor exists in Arizona due to the implementation of the Immigration Reform and Control Act of 1986 (IRCA). This result appears to be consistent across the state, within counties and their various industries.

As discussed in the companion article (see " 'Labor Shortage' ... ," p. 2), true labor shortages occur when position vacancies go unfilled due to an insufficient volume of applicants. The survey results suggest that the shortages reported are primarily employer- (self-) imposed. That is, employer perceptions, expectations of candidates, and choice of business or location are responsible for an overwhelming majority of reported shortages.

The Department of Economic Security, Research Administration asked employers whether IRCA had caused a labor shortage. Additionally, employers were asked whether they had experienced shortages due to any other causes.

Consistent with a survey conducted during 1988 and '89, only about 3 percent of respondents blamed IRCA for their labor shortage. A total of 453 employers (13 percent of the sample) indicated a shortage due to other causes.

When asked to characterize the cause of these shortages, more than half of this group cited "lack of experience" as the primary cause. Only 21 employers in the entire sample (six-tenths of 1 percent) cited a "lack of applicants" as the primary cause of their shortage. Few employers indicated continuing vacancies. And in nearly every case, the positions were subsequently filled.

Table 1. Portion of Preliminary Results From 1990 Arizona Employer Labor Supply Follow-Up Survey

Did your company experience a labor shortage prior to 1989 due to the Immigration Reform and Control Act (IRCA) of 1986?

No	98%
Yes	2%

Has your company experienced a labor shortage within the past year due to IRCA?

No	97%
Yes	3%

Did your company experience a labor shortage within the past year due to factors other than IRCA?

No	87%
Yes	13%

If Yes, Reasons for Shortages:

Lack of Experience	52.1%
Low Wages	11.5
Productivity Expectations	9.9
Training/Qualifications/Ability	5.1
Nature of work/Working Conditions	6.2
Lack of Applicants	4.6
Location	3.5
Benefits	3.1
All Others	4.0
Total	100.0%

Source: Arizona Department of Economic Security, Research Administration, January 1991

Expectation and Perception

The top five-cited causes of non-IRCA-releated labor shortages were: lack of experience (236); low wages (52); productivity expectations (45); training/qualification issues (28); and working conditions or nature of the job (23). Even if the training-and-qualification group was added to the lack-of-applicants group, the potential "real" labor shortage would affect only about 1 percent of the state's employers.

Analysis of these causal characterizations by county and industry is incomplete at this time. It is expected, however, that when secondary and tertiary causes are analyzed, business-site location in demographically or geographically isolated areas may explain this small, but real, labor shortage.

Occupations cited by employers as being in "short supply" predominantly fell into the category of unskilled manual labor, with three exceptions.

One high-tech electronics firm indicated it had been unable to find a suitable, specialized, managerial candidate. Also, many machine- and auto body-repair shops complained of a lack of experienced applicants. Nevertheless, these employers did not indicate a lack of trained or qualified applicants, only that their "experiential" expectations were not being fulfilled. Finally, a few employers of machinists expressed dissatisfaction with employee mathematical abilities necessary to operate computer-automated machines.

Confusion of Shortages, Turnover

Several employers cited their own economic ill-health as the cause of their "shortage." These employers confused a shortfall in *demand* for labor with a shortfall in the *supply* of labor. Only the latter constitutes a labor shortage.

The impression left by the surveys' causal comments is that most of the respondents who indicated they experienced a non-IRCA related labor shortage actually experienced turnover. Wages, productivity expectations, and working conditions surfaced as predominant causes of shortages.

Employers described these generalized causes with comments such as "lazy workers," "not willing to work hard," "no work ethic," "can't find good workers," "welfare pays better," "unacceptable hours or wages," "didn't like this kind of work," "can't find people who stay even at twice the normal salary." Such statements imply that candidates are not in short supply, but retention is a problem; internal shortages of *willing* workers do not equate to an external shortage of *potential* workers.

Wage increases are usually proposed as a cure for both labor shortages and turnover, but wage increases alone may be insufficient as a cure. A number of respondents commented that wages 50 percent to 100 percent in excess of the norm failed to relieve their turnover situations. This last observation relates primarily to occupations viewed as undesirable by many: landscape laborers, maids, dishwashers, and janitors.

Yet, employers of these occupations who indicated they were experiencing a problem were overwhelmingly in the minority. Clearly, other employers of these occupations were doing something different that workers found acceptable.

Employers who are unable or unwilling to provide wages, benefits, and a work atmosphere at least as attractive as the welfare system should expect and accept that they are likely to have problems both attracting and retaining workers. Some occupations and some forms of business by their very nature attract applicants with no work history or less-than-desirable qualifications or personal qualities.

Turnover has a multitude of causes that may require employers to examine their expectations and attitudes, management practices, operations, location, benefits, and wages.

Final results of the survey are expected to be published in April. The Arizona LMI Newsletter will give details about its availability.

—Chris Hedin
RA Labor Market Information Manager

(Continued from page 4)

from the previous local recession; (3) booming conditions in other parts of the country (e.g., Seattle); and (4) the seven-year national economic expansion.[19]

The Alaska publication made several points seldom acknowledged by employers when the cry goes out for the public sector to do something about labor shortages. The fact is, labor shortages are a boon to job seekers. They can result in higher wages, better benefits, rapid advancement, and greater opportunity for the difficult to employ.[20]

Indeed, U.S. Department of Labor policy over the last five years has been one of trying to call attention to the opportunity the decade of the '90s will bring. With a shrinking youth cohort and slower overall population growth, the country has an excellent opportunity to at last employ minorities, women, and handicapped in proportion to their share of the population.[21]

The public and private sector can give workers the necessary training to help employers compete in the new world economy, or U.S. companies can take an easier approach and employ the cream of other countries. Recent immigration-reform legislation suggests we have chosen the easier way.

As the Alaska publication says, today's "labor shortages" were the goal of national employment policy of two decades ago. Back then the goal was called "full employment."[22]

—Ron Simon
RA Economic Analysis Manager

Notes:

1. Jon Sargent, "Labor Shortages: Menace or Mirage," *Occupational Outlook Quarterly*, Winter 1988, U.S. Department of Labor, Bureau of Labor Statistics, pp. 27-33.
2. Ibid.
3. Ibid.
4. Ibid.
5. *Arizona Employer Labor Supply Survey, October 1988 - September 1989*, Arizona Department of Economic Security, Employment and Training and Research Administrations, April 1990: and unpublished review of *Arizona Employer Labor Supply Survey, May 1990 - October 1990*, Arizona Department of Economic Security, Employment and Training and Research Administrations.
6. "Request for Additional Fiscal Year 1990 Labor Certification Funds," California Employment Development Department (unpublished grant request).
7. "Attestations by Facilities Temporarily Employing Nonimmigrant Aliens as Registered Nurses," U.S. Department of Labor, Employment and Training Administration, *Federal Register*, July 6, 1990, p. 27,992.
8. "Reform Survives Final Challenges: Bush is Expected to Sign into Law," *Immigration Policy and Law*, Buraff Publications, Vol. 4, No. 18, Nov. 1, 1990, p. 1.
9. "Bush Signs Immigration Act to Aid Competitive Economy," Immigration Policy & Law,

(Continued on page 12)

The Arizona Labor Force in December

Arizona's unemployment rate drew nearer to the national rate in December, rising to 5.9 percent, seasonally adjusted, from 5.6 percent in November. The U.S. rate in December was 6.1 percent, up from 5.9 percent the previous month.

Maricopa County's unemployment rate, meanwhile, increased three-tenths of a point to 4.7 percent, while Pima County's rate dropped one-tenth of a point to 4.3 percent. Muting Pima County's good news, however, was a revision upward of its November rate from 4.0 percent to 4.4 percent. In rural Arizona, nine of the state's 13 non-metropolitan counties had higher unemployment rates in December.

Counter to the normal December pattern, unemployment climbed 1,300 to a total of 93,200. That level is above the 1990 average (89,700), but below the July 1990 peak (104,100).

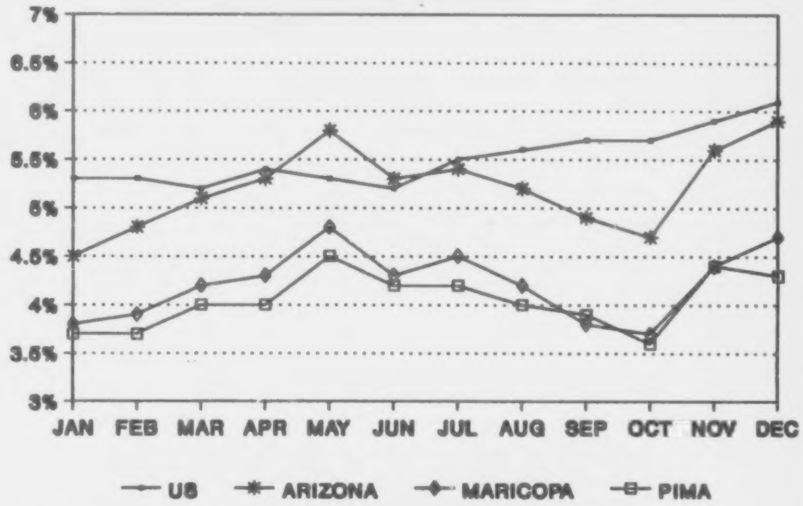
Wholesale trade edged out transportation for the greatest growth in December. Wholesale trade's growth of 2.0 percent (1,600 jobs) was one-half of a point greater than its seasonal average during the post-recession period, while transportation's 1.5 percent increase (700 jobs) was one-half of a point below its seasonal average.

Both wholesale trade and transportation reached record levels in December. And transportation was Arizona's stellar performer in 1990, outpacing overall job growth in every month but January and September.

Trade Hits Record Level

Trade achieved a record employment level in December (396,800) with component records in department and variety stores (54,600), and restaurants and bars (108,500). Nevertheless, retail trade employment gains in November and December confirmed a weak commercial performance for the 1990 Christmas buying period.

Figure 1. **U.S., Arizona, and Maricopa and Pima Counties' Unemployment Rates, January 1990-December 1990**



Source: *U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration*

Food stores were the weakest component of retail trade, posting no gains when December gains of a 1,000 are normal. Food stores were 1,700 below their December 1989 peak.

Services gained 800 jobs in December, only one-third of its December average since 1982. Weak growth was evident in all components — lodging, business services, and health services. Nevertheless, total services employment of 418,400 is at a record level as are subareas of lodging (47,600) and health services ([illegible]03,800).

Finance, insurance, and real estate gained a weak 100, but is not doing too badly considering the problems of Arizona's savings and loan industry. FIRE employment, at 95,900, is only 300 below its December 1987 peak.

That's about all of the good news from the December employment estimates. The bad news — as has been the case the past few years — centers around construction, which lost 1,300 jobs last month after posting a 2,100 loss in November.

As expected, up to now falling interest rates have had little effect on Arizona's construction industry. Perhaps activity will pick up in the spring, but uncertainty due to war in the Persian Gulf may keep buyers wary.

Government's 1,100 loss was a normal seasonal event as student work/study programs began to wind down as the fall semester ended. Communications and public utilities (CPU) lost 100 jobs for the third month in a row as staffing by utilities has been pared back to cut expenses. CPU reached peak employment of 36,100 in April; by December, it was down to 34,900.

In review, Arizona employment estimates in December present a mixed picture of the state's economy. There were more jobs in Arizona than ever before, and new records were set in transportation, trade, and services.

But job growth is unquestionably slowing. Even seasonal growth for the holiday and winter tourism season was weak. Meanwhile, Arizona's unemployment rate rose sharply for the second month in a row and has nearly reached national levels.

—Ron Simon,
RA Economic Analysis Manager

Arizona Labor Force and Employment
December 1990 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				Amount Change					Amount Change					Amount Change	
	Dec.* 1990	Nov. 1990	Dec. 1989	Nov. - Dec.	1989 - 1990	Dec.* 1990	Nov. 1990	Dec. 1989	Nov. - Dec.	1989 - 1990	Dec.* 1990	Nov. 1990	Dec. 1989	Nov. - Dec.	1989 - 1990
TOTAL CIVILIAN LABOR FORCE**	1736.0	1727.6	1697.6	+8.4	+38.4	1073.2	1068.8	1053.5	+4.4	+19.7	312.4	312.7	310.9	-0.3	+1.5
Total Unemployment	93.2	91.9	68.1	+1.3	+25.1	47.4	46.0	35.5	+1.4	+11.9	12.8	13.4	10.3	-0.6	+2.5
Unemployment Rate	5.4%	5.3%	4.0%	—	—	4.4%	4.3%	3.4%	—	—	4.1%	4.3%	3.3%	—	—
Unemployment Rate (Sea. Adj.)***	5.9%	5.6%	4.4%	—	—	4.7%	4.4%	3.6%	—	—	4.3%	4.4%	3.5%	—	—
Total Employment	1642.8	1635.7	1629.5	+7.1	+13.3	1025.8	1022.8	1018.0	+3.0	+7.8	299.6	299.3	300.6	+0.3	-1.0

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
	Dec.* 1990	Nov. 1990	Dec. 1989	Nov. - Dec.	1989 - 1990	Dec.* 1990	Nov. 1990	Dec. 1989	Nov. - Dec.	1989 - 1990	Dec.* 1990	Nov. 1990	Dec. 1989	Nov. - Dec.	1989 - 1990
TOTAL WAGE AND SALARY	1549.5	1541.0	1507.1	+8.5	+42.4	1024.6	1018.9	995.8	+5.7	+28.8	261.2	260.2	256.8	+1.0	+4.4
Manufacturing	188.0	188.0	188.5	0.0	-0.5	138.5	138.6	139.8	-0.1	-1.3	27.2	27.1	27.2	+0.1	0.0
Durable Goods	141.3	141.4	142.7	-0.1	-1.4	105.7	105.8	107.0	-0.1	-1.3	21.5	21.5	21.8	0.0	-0.3
Stone, Clay, and Glass	7.0	7.2	7.7	-0.2	-0.7	4.2	4.2	4.7	0.0	-0.5					
Primary and Fabricated Metals	15.9	15.8	15.9	+0.1	0.0	10.7	10.7	10.8	0.0	-0.1					
Primary Metals	7.9	7.8	7.8	+0.1	+0.1										
Fabricated Metals	8.0	8.0	8.1	0.0	-0.1										
Machinery	57.7	57.8	59.7	-0.1	-2.0	47.0	47.2	48.9	-0.2	-1.9					
Aircraft and Missiles	27.3	27.3	26.0	0.0	+1.3										
Lumber and Wood Products (Excluding Furniture)	7.8	7.8	7.7	0.0	+0.1										
Nondurable Goods	46.7	46.6	45.8	+0.1	+0.9	32.8	32.8	32.8	0.0	0.0	5.7	5.6	5.4	+0.1	+0.3
Food and Kindred Products	10.6	10.6	9.8	0.0	+0.8	7.0	7.0	6.5	0.0	+0.5					
Printing and Publishing	17.1	17.0	16.8	+0.1	+0.3	12.2	12.2	12.2	0.0	0.0					
Mining and Quarrying	12.7	12.7	12.5	0.0	+0.2	0.8	0.8	1.0	0.0	-0.2	2.3	2.3	2.1	0.0	+0.2
Copper Mining	9.8	9.8	9.5	0.0	+0.3										
Construction	81.4	82.7	83.7	-1.3	-2.3	54.2	55.0	55.8	-0.8	-1.6	14.1	14.5	14.6	-0.4	-0.5
Trans., Communications, & Public Utilities	82.7	82.1	79.6	+0.6	+3.1	59.0	58.5	55.8	+0.5	+3.2	9.7	9.7	9.7	0.0	0.0
Transportation	47.8	47.1	44.1	+0.7	+3.7	36.4	35.8	33.0	+0.6	+3.4	5.0	5.0	5.0	0.0	0.0
Communications and Public Utilities	34.9	35.0	35.5	-0.1	-0.6	22.6	22.7	22.8	-0.1	-0.2	4.7	4.7	4.7	0.0	0.0
Trade	396.8	389.9	385.8	+6.9	+11.0	270.1	264.8	260.7	+5.3	+9.4	61.5	61.2	61.3	+0.3	+0.2
Wholesale Trade	81.2	79.6	78.4	+1.6	+2.8	64.6	64.0	62.4	+0.6	+2.2	7.8	7.8	7.8	0.0	0.0
Retail Trade	315.6	310.3	307.4	+5.3	+8.2	205.5	200.8	198.3	+4.7	+7.2	53.7	53.4	53.5	+0.3	+0.2
General Merchandise and Apparel	54.6	51.4	51.4	+3.2	+3.2	34.9	32.5	32.4	+2.4	+2.5	8.0	7.7	7.7	+0.3	+0.3
Food Stores	49.9	49.9	51.6	0.0	-1.7	32.4	32.3	33.4	+0.1	-1.0	8.0	8.0	8.3	0.0	-0.3
Automotive and Service Stations	36.1	36.1	35.3	0.0	+0.8	23.0	23.0	22.6	0.0	+0.4	5.6	5.6	5.8	0.0	-0.2
Eating and Drinking Places	108.5	107.9	105.1	+0.6	+3.4	70.2	69.3	66.9	+0.9	+3.3	20.0	20.1	19.9	-0.1	+0.1
Finance, Insurance, and Real Estate	95.9	95.5	93.7	+0.4	+2.2	77.0	76.8	75.5	+0.2	+1.5	11.6	11.6	11.4	0.0	+0.2
Services and Miscellaneous	418.4	415.4	402.1	+3.0	+16.3	283.6	281.8	272.8	+1.8	+10.8	76.6	75.7	73.6	+0.9	+3.0
Hotels and Lodging Places	47.6	47.0	44.5	+0.6	+3.1	30.7	29.9	28.4	+0.8	+2.3	7.0	6.9	6.5	+0.1	+0.5
Business Services	77.1	76.2	75.7	+0.9	+1.4	61.7	61.2	61.1	+0.5	+0.6	10.4	10.2	10.1	+0.2	+0.3
Health Services	103.8	103.2	98.9	+0.6	+4.9	66.9	66.7	64.1	+0.2	+2.8	22.8	22.5	21.2	+0.3	+1.6
Government	273.6	274.7	261.2	-1.1	+12.4	141.4	142.6	134.4	-1.2	+7.0	58.2	58.1	56.9	+0.1	+1.3
Federal	47.1	47.1	45.9	0.0	+1.2										

* Preliminary
** Labor force, unemployment, and employment are reported by place of residence.
*** Normal seasonal variations have been eliminated to reflect underlying economic trends.
**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

Note: Presented by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
December 1990

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,575	36,300	44,750	13,025	8,375	3,025	5,825
Total Unemployment	2,200	2,650	3,300	1,175	550	225	425
Rate	15.1%	7.3%	7.4%	9.0%	6.6%	7.4%	7.3%
Rate (Seas. Adj.)**	16.8%	7.4%	7.1%	8.8%	7.0%	7.6%	7.4%
Total Employment	12,375	33,650	41,450	11,850	7,825	2,800	5,400

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	15,200	27,100	42,700	11,725	5,575	3,075	4,125
Manufacturing	625	1,225	3,100	1,575	225	25	250
Mining & Quarrying	50	175	300	1,325	0	1,800	75
Construction	425	700	1,825	300	150	125	225
T.C.P.U.	1,925	1,875	2,575	475	175	50	150
Trade	1,875	5,800	10,000	2,650	1,425	225	1,300
F.I.R.E.	425	675	725	325	125	25	100
Services & Misc.	4,650	5,200	11,050	2,250	900	150	1,100
Government	5,225	11,450	13,125	2,825	2,575	675	925

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,150	29,150	38,500	12,675	41,075	64,875
Total Unemployment	2,800	3,375	2,875	1,800	2,200	9,400
Rate	7.3%	11.6%	7.5%	14.2%	5.4%	14.5%
Rate (Seas. Adj.)**	7.4%	12.5%	8.0%	13.1%	5.4%	24.2%
Total Employment	35,350	25,775	35,625	10,875	38,875	55,475

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	27,750	22,975	30,925	12,075	29,425	30,550
Manufacturing	2,625	2,025	4,050	975	2,250	2,875
Mining & Quarrying	50	1,200	3,600	0	950	75
Construction	3,275	1,300	500	375	2,650	1,275
T.C.P.U.	1,275	1,550	1,075	825	1,075	950
Trade	8,550	4,350	6,050	5,600	7,950	9,425
F.I.R.E.	1,275	425	850	300	975	975
Services & Misc.	6,200	5,475	4,825	2,100	7,450	6,925
Government	4,500	6,650	9,975	1,900	6,125	8,050

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Dec.* 1990	Nov. 1990	Dec. 1989	Dec.* 1990	Nov. 1990	Dec. 1989	Dec.* 1990	Nov. 1990	Dec. 1989
Manufacturing	427.76	424.04	421.93	40.7	40.5	41.9	10.51	10.47	10.07
Aircraft & Missiles	691.01	682.48	654.58	47.2	47.1	46.0	14.64	14.49	14.23
Food & Kindred Prod.	356.33	343.56	341.75	39.2	38.1	39.6	9.09	9.02	8.63
Primary Metals	494.54	524.49	482.30	37.1	38.2	37.1	13.33	13.73	13.00
Machinery	390.26	385.39	384.52	39.5	38.5	39.6	9.88	10.01	9.71
Copper Mining	625.65	624.70	577.58	43.0	43.9	43.2	14.55	14.23	13.37
Construction	438.65	442.01	431.22	37.3	37.3	37.4	11.76	11.85	11.53
Utilities	752.58	721.01	703.12	44.4	43.2	44.0	16.95	16.69	15.98
Retail Trade**	256.79	253.12	251.75	32.3	32.0	33.3	7.95	7.91	7.56
Wholesale Trade	403.37	400.28	374.79	39.2	38.6	39.0	10.29	10.37	9.61

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Dec.* 1990	Nov. 1990	Dec. 1989	Dec.* 1990	Nov. 1990	Dec. 1989	Dec.* 1990	Nov. 1990	Dec. 1989
Manufacturing	458.81	466.05	444.74	41.9	42.1	42.6	10.95	11.07	10.44
Construction	464.96	470.40	452.70	38.3	38.4	37.6	12.14	12.25	12.04
Retail Trade**	271.58	265.85	260.95	32.8	32.7	33.2	8.28	8.13	7.86
Wholesale Trade	434.66	424.60	392.82	39.3	38.6	39.4	11.06	11.00	9.97

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Dec.* 1990	Nov. 1990	Dec. 1989	Dec.* 1990	Nov. 1990	Dec. 1989	Dec.* 1990	Nov. 1990	Dec. 1989
Manufacturing	409.07	377.64	371.13	39.6	38.3	38.3	10.33	9.86	9.69
Construction	384.89	384.82	378.30	34.8	35.5	36.8	11.06	10.84	10.28
Utilities	620.33	640.01	577.28	41.3	41.0	38.9	15.02	15.61	14.84

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs December 1990

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,723,687	1,634,008	89,679	5.2%
Apache	14,318	12,140	2,178	15.2
Cochise	36,620	34,302	2,318	6.3
Coconino	45,727	42,700	3,027	6.6
Gila	12,992	11,846	1,146	8.8
Graham	8,164	7,592	572	7.0
Greenlee	2,916	2,693	223	7.6
La Paz	6,105	5,694	411	6.7
Maricopa	1,071,113	1,026,021	45,092	4.2
Mohave	37,539	35,349	2,190	5.8
Navajo	28,426	25,431	2,995	10.5
Pima	310,271	297,738	12,533	4.0
Pinal	38,809	36,001	2,808	7.2
Santa Cruz	12,220	10,523	1,697	13.9
Yavapai	40,508	38,621	1,887	4.7
Yuma	57,955	47,354	10,601	18.3

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

(Continued from page 6)

Vol. 4, No. 21, p. 3.

10. "Attestations by Facilities Temporarily Employing Nonimmigrant Aliens as Registered Nurses," U.S. Department of Labor, Employment and Training Administration, *Federal Register*, p. 27,993.

11. Ibid.

12. A yearly survey by the Arizona Department of Administration of private-sector companies in Maricopa and Pima counties that employ 250 or more workers.

13. "Attestations by Facilities Temporarily Employing Nonimmigrant Aliens as Registered Nurses," U.S. Department of Labor, Employment and Training Administration, *Federal Register*, p. 27,993.

14. *1989 Arizona Nursing Demand Survey*, Arizona Hospital Association, April 1990, pp. 19-40.

15. "Bush Signs Immigration Act to Aid 'Competitive' Economy," Immigration Policy and Law, Buraff Publications, Vol. 4, No. 21, Dec. 13, 1990, p. 3.

16. "Reform Survives Final Challenges: Bush is Expected to Sign into Law," *Immigration Policy and Law*, Buraff Publications, Vol. 4, No. 18, Nov. 1, 1990, pp. 2-3.

17. Ibid.

18. "Alaska's Labor Market: From Surplus to Shortage," Niel Fried and Holly Stinson, *Alaska Economic Trends*, December 1989, pp 1-6.

19. Ibid, pp. 1-2

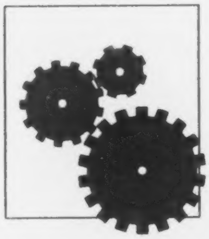
20. Ibid, p. 6

21. *Workforce 2000: Work and Workers for the 21st Century, Executive Summary, 1987*, U.S. Department of Labor, Bureau of Labor Statistics.

22. "Alaska's Labor Market: From Surplus to Shortage," Niel Fried and Holly Stinson, *Alaska Economic Trends*, December 1989, p 6.

New Developments

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the *Arizona LMI Newsletter* *is not responsible for incorrect information reported by these sources.*



MANUFACTURING — The success of Seattle-based Boeing Corp. is raining dollars on at least two Phoenix companies. In late December, Boeing selected **Garrett Auxiliary Power Division**, a subsidiary of Allied-Signal Aerospace Co., to provide **auxiliary power units** for its new 777 jetliner. The contract is expected to be worth up to $1 billion for Garrett Auxiliary Power, which employs 2,600 in the Valley. In November, **Honeywell's Commercial Flight Systems Group** was selected to develop the **flight controls** for the jumbo jet, which will carry between 360 and 390 passengers. Meanwhile, construction recently began on a new 130,000-square-foot facility at Honeywell's 55th Avenue and Bell Road plant, which will be used to consolidate the aerospace company's Business and Computer Aviation Systems Division.

In late December, **Garrett Airline Services Division** opened a **repair and maintenance facility and a machine shop** at 47th Street and Hammond Lane near Phoenix Sky Harbor International Airport. The $5 million, 55,000-square-foot repair and maintenance facility, which replaces a plant at 2202 E. University Drive, repairs and overhauls Garrett auxiliary power units that are used to heat and cool commercial aircraft. The new plant currently employs 200 workers, but is expected to have double that number in five years. At the same time, Garrett opened a 31,000-square-foot machine shop that employs 40 workers, but that should increase to 160 within a year and to near 350 workers in five years.

Sawmill workers in northern Arizona received a boost in early January when **Duke City Lumber Co.** in Winslow, shut down since August, announced it was **recalling 144 laid-off workers**. However, the outlook for workers at two other companies is not promising. Stone Forest Inc., which owns sawmills in Eager and Reserve, N.M., says it doesn't know when it will bring back 400 workers who have been laid off since August. And **Kaibab Forest Products Co.** in Fredonia (near the Utah border) will **lay off 70 workers April 1 and 15 to 20 more in June** due to court litigation and poor market conditions.

Phoenix-based **Microtest Inc.** is bringing a little bit of Silicon Valley ingenuity to Arizona — and with it **rapid growth in sales and employment**. Started in 1984, Microtest specializes in manufacturing hand-held devices that identify trouble spots in local area networks (LANs) and a product that allows users to hook up peripheral devices (printers, scanners) directly to a LAN. Microtest's sales jumped from $4 million in 1989 to $10 million in 1990, while employment rose from 20 to 80 workers. And sales are expected to grow to $23 million this year, with employment increasing to 150.

A manufacturer of colorants for the thermal plastic industry, **Mesa Industries**, has opened a **12,000-square-foot facility** in Phoenix, 240 N. 48th Ave. No details on anticipated employment are available.

Scottsdale-based **Kroy Inc.**, which **manufactures and distributes printing and labeling products**, has fought its way out of Chapter 11 bankruptcy protection by receiving an $11 million capital infusion from two Chicago financial companies. Kroy, which employs 270 workers, filed for bankruptcy protection last May due to a heavy debt load and had a reorganization plan approved last August.

Bonneau Company of Dallas, an eyewear distributor, has **purchased Foster Grant Corp.'s Arizona and Mexico manufacturing and packaging operations**. Tucson and Nogales, Mexico, facilities employ about 300 people. No details on the move's effect on employment were disclosed.

Weiser Lock, which employs 400 full-time and 60 to 80 part-time workers at its Tucson manufacturing plant, is **moving its Seal Beach, Calif., operations** to the Old Pueblo, with 45 to 50 administrative, engineering, and office workers relocating to Arizona.

CONSTRUCTION — The building of the city's largest retail shopping center and a nearby regional bank center should keep **construction workers busy in Nogales**. Work on the first phase of **Mariposa West Plaza** — which will include a K Mart and Megafoods, and possibly a Pep Boys, along with a variety of clothing stores and restaurants — was expected to begin in late January and be completed by October. Meanwhile, **Valley National Bank** recently closed escrow on a **regional banking center** it plans to build between the retail center and a recently opened McDonald's.

Due to declining tax revenues, the **city of Phoenix is postponing construction of several projects** approved by a 1988 bond election. Projects that will be delayed include: the renovation of the historic Orpheum Theater, originally set for fiscal year (FY) 1990-91; the building of the Phoenix History Museum and an adjoining parking garage, originally set for FY 1991-92; and construction of several amenities planned for the Deck Park, which sits on top of the Papago Freeway (Interstate 10). In related news, the city of Phoenix is **ahead of schedule on its plans to build a new city hall**, which will consolidate offices from 13 buildings. Final drawings for the expected 22- to 24-story building, to be built near

2nd Avenue and Washington Street, should be finished in February with the building going to bid later this year and construction beginning in early 1992.

Del Webb Corp. of Phoenix has diversified its home-building operation through the **acquisition of Coventry Financial Inc.**, parent company of two Valley home builders, Coventry Homes and Universal Homes. Known for its Sun City-retirement communities in Phoenix, Tucson, and Las Vegas, Webb will likely become the third-largest home builder in the Valley. Webb had sales of $200 million in 1990.

TRADE — When a planned **mega-shopping complex** on 160 acres in **west Phoenix** opens, Valley developer John F. Long might look to the adjacent Blockbuster Desert Pavilion amphitheater for name ideas. The first phase of Long's project, at 75th Avenue and Encanto Boulevard, will have a **500,000-square-foot "power" center** that will be anchored by five or six major retail stores, including a Wal-Mart (see below), which will be built immediately. More details about the plus-$100 million development will be forthcoming later in the year.

If the pace of **Wal-Mart's growth in Arizona** continues, the Arkansas-based chain may be able to single-handily solve the state's construction slide. Wal-Mart **opened two stores in late December** — in Yuma (Palo Verde Village Shopping Center) and in Peoria (83rd Avenue Cactus Road) — and was expected to open another in January in Page. In addition, Wal-Mart has **several stores under construction** — in Prescott Valley (State Route 69), north Phoenix (4617. E. Bell Road), and two in Mesa (Apache Trail and Signal Butte Road; Superstition Springs Road and Southern Avenue). Wal-Mart now has about 20 stores in the state, all opened in the last three years.

Grocery store chain **Albertson's** has also been busy of late, **opening three stores in the Valley** in January. Albertson's opened two locations in Phoenix — 1940 W. Indian School Road and 4820 E. Ray Road — and one in Peoria (8150. W. Peoria Avenue). The Idaho-based chain now has nine stores in the Phoenix area.

An announcement in early January that retail giant **Sears** would **lay off 21,000 workers nationwide is not expected to affect the Tucson-area** too badly, with cuts of about 10 to 20 employees at each store. However, a Sears Homelife furniture outlet, expected to open in mid-March, will probably employ many of the laid-off workers.

Best Products Co., which operates **seven catalog showrooms** (five in Phoenix; two in Tucson) in Arizona, has **filed for protection under Chapter 11** in U.S. Bankruptcy Court and will lay off 350 workers at its showrooms around the country and at administrative offices in Richmond, Va. There are no details on how the layoffs will affect employment at Arizona stores.

The **Scottsdale Seville shopping center recently opened** for business with about 50 percent of its 180,000 square feet of office and retail space leased. Developed by The Symington Co. and Shimizu Land Corp., the $35 million project includes one two-story and four single-level buildings for retail space and a two-story building for office space.

JB's Restaurants plans to **open a total of 19 Italian fast-food restaurants** in the Phoenix and Portland, Ore., areas within the next three years. Salt Lake City-based JB's recently purchased the franchise rights to the Phoenix area from Sbarro Inc.

Phoenix Foods Inc. plans to **add nine Denny's Restaurants** in the state by 1995 as part of a major expansion plan for Arizona, Colorado, and Texas. Phoenix Foods currently operates 11 Denny's in the state.

The planned **Arrowhead Mall** in northwest Phoenix, 75th Avenue and Bell Road, has **lost two of its six anchor stores** — Sears, and Robinson's — due to worries about a slowdown in the retail trade sector. Additionally, war in the Persian Gulf could have a delaying affect on an estimated fall 1992 opening. Dillard's, Mervyn's, Montgomery Ward, and J.C. Penney are still committed to the $400 million project being developed by Westcor of Phoenix.

SERVICES — **Prudential Life Insurance Co. of America** is eyeing Arizona for its **managed health-care programs**, either by offering its products through existing Prudential offices in the state or by taking over an Arizona company. The Prudential Health Care System, which has 42 locations nationwide covering more than 1.6 million people, includes health maintenance and preferred-provider organizations, as well as a managed mental-health program.

American Child Care Centers Inc. of Tempe has **taken over 56 company-owned and franchise locations** of Tempe-based Mary Moppets. Forty-six (20 in the Valley) of the locations are in Arizona. American, which was formed by four former child-care professionals, plans to acquire 150 more child-care centers (mainly in the Sunbelt) during the next three years.

A Houston-based, **temporary-help company** that specializes in filling high-tech and manufacturing positions has opened a Valley office with two employees, but expects to employ 50 people within the next five years. Located at 8433 N. Black Canyon Road., **Milam Design Services Inc.** provides employees with backgrounds in engineering, research and development, and testing and installation to companies in the aerospace, manufacturing, high-tech, and defense industries.

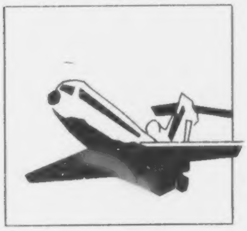
Work is under way to renovate the former East Valley Behavioral Health Facility, 1875 W. Frey Road in Chandler, into a **44-bed**

medical and rehabilitation facility. The **Chandler Regional Health Service Corp.**, which will operate the medical facility, will provide therapy for patients with head and spinal cord injuries, neurological disorders, and orthopedic damage.

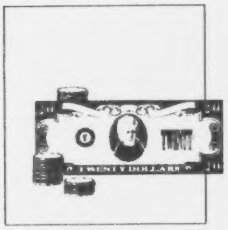
National Medical Enterprises Inc. of Santa Monica, Calif., plans to **purchase Charter Hospital of Tucson** and turn it into a 60-bed psychiatric hospital. Psychiatric Institutes of America, a subsidiary of National Medical, will operate the facility.

Introspect Healthcare Corp. has opened a 30-bed, 41,500-square-foot, **mental health facility** in Tucson. The $4 million Desert Hills Center will specialize in treating youth ages 3 to 18.

Sierra Tucson Co. Inc., which operates facilities in Tucson and Germany that treat addictions, has **expanded its Arizona operations** near Oracle. Sierra Tucson recently completed a $3 million expansion of its Tucson-area campus, which includes a 23-bed medical-services building, a 450-seat auditorium, and enlarged kitchen and dining facilities.



TRANSPORTATION, COMMUNICATIONS, and PUBLIC UTILITIES — In a cost-cutting move, **American Telephone & Telegraph Co. (AT&T) will close a billing office in Mesa**, 1355 W. University Dr., on May 1, eliminating 200 positions. AT&T will attempt to offer alternatives to unemployment — reassignment to another area, relocation, or retirement — to 20 executives and 179 non-management employees. The cuts do not affect employees at the company's other two buildings at the Mesa location.



FINANCE, INSURANCE AND REAL ESTATE — Minneapolis-based **ITT Consumer Financial Corp.**, which provides consumer and real estate loans, is looking at sites in Phoenix and Denver for a **customer-service center** for its western U.S. clients. Although a final decision on the center, which will employ about 200 workers, was expected in late December, as of late January no decision had been made.

The **consolidation of First Interstate Bancorp.'s data-processing operations** — from four to two locations — is expected to add an unspecified number of jobs to a First Interstate Bank operation in Tempe that currently employs 280. Facilities in Tempe and Portland, Ore., will now handle banking and check-processing chores for Los Angeles-based First Interstate, which operates in 14 western states. Currently, all four locations employ about 1,300 people.

BankAmerica Corp., Los Angeles, may follow the lead of several large banks and retail chains and bring a **major credit-card operation to the state**. The parent company of Bank of America Arizona, which took over MeraBank and Western Savings and Loan in 1990, is considering moving its California credit-card operations to the MeraBank Center, 22nd and Van Buren streets, a four-building complex near Phoenix Sky Harbor International Airport. BankAmerica has two credit-card processing operations in California that employ 2,220 people.

MISCELLANEOUS — **Fifty-eight companies** that decided in 1990 to move to the state or expand their present businesses will **create more than 8,200 jobs in Arizona** within the next few years, says a report from the state's Commerce Department. Among the announcements, along with job totals and location, were: Arrowhead Mall (1,500), Glendale; TRW Safety Systems (1,000), Mesa; Motorola (700), Chandler; Smith's Food and Drug Centers (650), Tolleson; American Airlines (500), Tucson; CamelView Plaza (400), Scottsdale; Arizona Mail Order (300), Tucson; Ray Mine (300), Kearney; Birmingham Steel Corp. (250), western Maricopa County; Kraft Inc. (250), Phoenix; and Sola Ophthalmics (250), Phoenix. (Announcements of these projects were detailed in previous issues of the *Arizona LMI Newsletter*.)

The **Arizona tourism industry** now has a more accurate measure of the **fallout from voters' rejection of a paid Martin Luther King holiday**. Hotels in the Phoenix and Tucson metropolitan areas report they have had convention cancellations worth an estimated $11 million in business since the November election, according to convention & visitors bureaus in the two areas. Of course, this does not include the anticipated loss of the 1993 Super Bowl, which was expected to bring in about $200 million into the state.

Not unexpectedly, **filings for bankruptcy** in Arizona in 1990 **increased 13 percent** over 1989. The 18,372 filings in the state last year were four times the number recorded in 1980.

The most **current census data**, released in late January, show that **Arizona's population rose nearly 35 percent** over the past decade to 3,665,228, up from 2,716,546. Among counties, Mohave County had the largest percentage increase in population, 67.4%, which rose from 55,865 to 93,497. But Maricopa County had the largest net increase, up nearly 613,000 (40.6%). Additional population data on Arizona counties and places will be published in the March *Arizona LMI Newsletter*.

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ARIZONA LABOR MARKET INFORMATION

NEWSLETTER

Vol. XV No. 3
March 1991

Unemployment Rate

Seasonally Adjusted
January*

ARIZONA – 5.4%
Maricopa Co. – 4.5
Pima Co. – 3.9
United States – 6.2

Consumer Price Index

U.S. – January 1991
Base = 1982-84

Wage Earner/Clerical Worker – 132.8
% Chg. Year Ago – 5.5

All Urban – 134.6
% Chg. Year Ago – 5.7

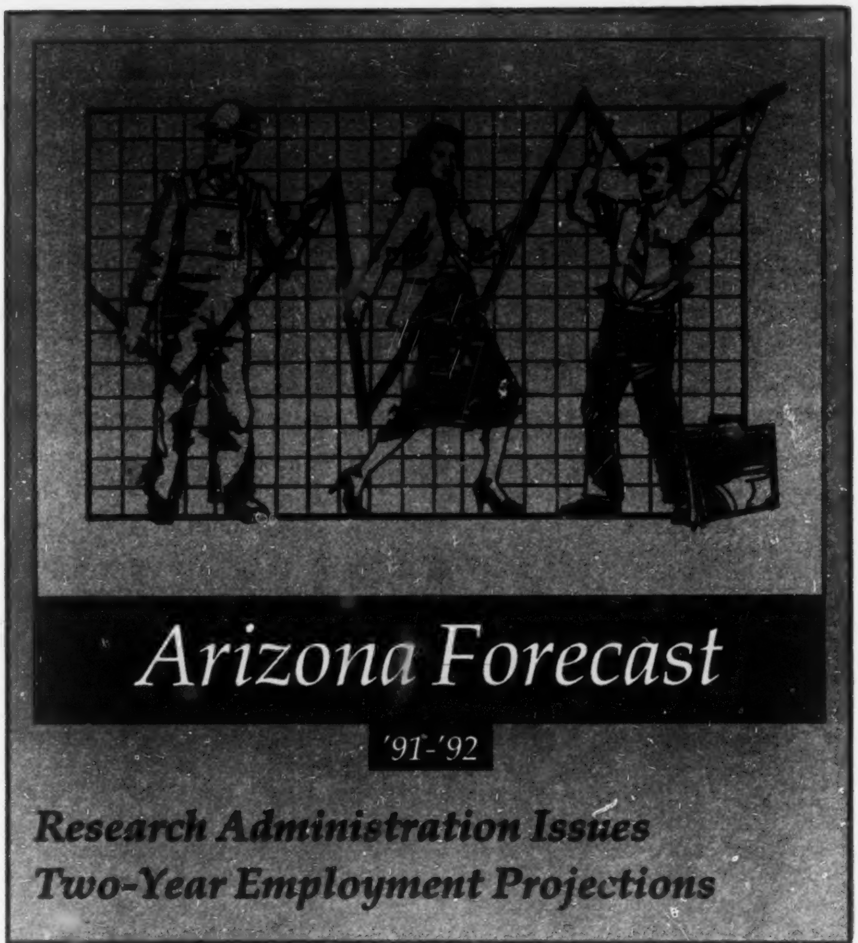
Phoenix – 4th Qtr 1990
Base = 1982-84

All Urban – 135.3
% Chg. Year Ago – 5.9

Tucson – 4th Qtr 1990
Base = 1982-84

All Urban – 133.8
% Chg. Year Ago – 3.9

* Preliminary



Arizona Forecast

'91-'92

Research Administration Issues Two-Year Employment Projections

Inside This Issue **Page**

Middle East Tension Made Indicators Less Optimistic 2
State to Remain Sluggish in '91, Pick Up in '92 3
Maricopa County Should Continue Slow-Growth Mode 5
Pima County Expected to Improve Slightly 7
Rural Counties Forecast to Outperform Metro Areas 9
Arizona Labor Force in January 11
Arizona Labor Force Statistics 12
Substate Census Totals Are Worth a Look 18
News in Brief 19
BLS Reports 20
New Developments 21

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

MidEast Tension Made Indicators Less Optimistic

One venerable axiom of forecasting states: Forecasting is very difficult — especially when it involves the future. Another concludes: Never, ever forecast — but if you must, forecast often. In forecasting Arizona's employment levels, the above maxims are held dear, especially in turbulent times as these.

The Department of Economic Security, Research Administration (RA), each year projects labor force and wage and salary employment levels for Arizona and its three major substate regions — Maricopa, Pima, and the non-metropolitan counties. The projections, along with analysis, are published in the March issue of the *Arizona Labor Market Information Newsletter*. Six months later, the forecasts are updated to reflect new economic variables, then detailed in the September issue of the newsletter.

RA's forecast is based upon assumptions made about the future course of events and how they relate to the nation's economy. As an example, RA's mid-year forecast last summer could not have factored in the run-up in oil prices — due to Iraq's invasion of Kuwait — which contributed to the first recession in nearly a decade. Prior to the invasion, the assumption was that a general slowdown of the nation's economy was on the horizon. These events — invasion, war, and uncertainty — have led to less optimism in the current projections.

The future course of the nation's economy, as seen through the eyes of the WEFA Group (Wharton Econometric Forecasting Associates), is instrumental in developing RA's economic forecast. WEFA's forecast of national economic variables and their underlying assumptions are major components of the Arizona Employment Forecasting Model.

WEFA's baseline forecast for the nation's economy is that the recession that began late in the summer of 1990 will be over this summer. There are a number of key variables that led them to this conclusion:

- (1) Operation Desert Storm will add significantly to final demand for several more quarters, regardless of the length of the conflict. (2) The outbreak of war with Iraq jolted oil markets worldwide and resulted in the largest, single-day price movement (downward). Lower oil prices will increase consumer purchasing power, lower inflation, and help restore consumer confidence. (3) Because firms liquidated inventories in the fourth quarter of 1990, it is unlikely that any further liquidation will be possible. As a result, the restoration of inventories in the coming quarters will add substantially to real Gross National Product (GNP) growth. (4) Real exports were up while real imports were down in the fourth quarter of 1990. More modest improvements are expected in the next several years, which will help reduce the nation's trade deficit. (5) Tight credit conditions that prevailed in prior quarters will diminish over the forecast horizon.

- Real GNP, after a lackluster showing in 1990 of 0.9 percent annualized growth, will expand at a rate of 1.8 percent in 1991 and 2.9 percent in 1992. Growth in both the fourth quarter of 1990 and the first quarter of 1991 are negative, signaling that a mild recession had occurred.

- The price of oil, as reflected by the Refiners Acquisition Cost, is expected to hover around the average for 1990 of $22.71 per barrel in the coming years. The price is forecast to average $21.88 per barrel in 1991 and $22.38 per barrel in 1992.

- Consumer expenditures, which account for about two-thirds of the nation's economic activity, is expected to remain weak in 1991. After increasing a paltry 1.0 percent in 1990, consumer expenditures are forecast to increase 0.7 percent in 1990, but then improve substantially in 1992 by advancing 2.6 percent.

Key Variables

- **Consumer Spending**
- **Dollar**
- **Gross National Product**
- **Inflation**
- **Interest Rates**
- **Oil Prices**

- The rate of inflation, as measured by the U.S. Consumer Price Index (CPI), is expected to decrease substantially from the 5.4 percent increase experienced in 1990. CPI is forecast to average 3.9 percent in 1991 and 3.7 percent in 1992.

- The rates of interest charged and earned on a national level are expected to decline across the board in 1991 over the levels that prevailed in 1990, but then pick up some in 1992. The Federal Funds Rate will drop from 8.10 percent in 1990 to 6.95 percent in 1991 and then increase to 7.85 percent in 1992. Similarly, the prime commercial-bank lending rate will fall from 10.01 percent in 1990 to 9.79 percent in 1991 and climb to 10.37 percent in 1992.

- And finally, the real value of the dollar, as measured by the Morgan Guaranty 40-Country Index, slid 4.8 percent in 1990. A continuation of this trend is expected in 1991 with the dollar forecast to drop a further 4.9 percent. However, in 1991, the decline will not be as pronounced (0.6 percent).

—Marc A. Marra
RA Economist

State's Economy to Stay Sluggish in '91, Pick Up in '92

Prior to August 1990, all economic signals for Arizona implied smooth sailing ahead. Although there was concern about the nation's economy and sectorial problems within the state, Arizona was on a track of accelerating growth.

Yet, with the future looking so good, events in the Persian Gulf brought quick change to that outlook. Iraq's invasion of Kuwait produced an oil shock that led to both higher inflation and lower gross national product growth. Then, after precedent-setting diplomacy, war erupted and the peace dividends — once hailed as the savior of America's budget-deficit problems — were slashed. To further complicate matters, Arizona is currently wrestling with political problems of a public image-damaging nature.

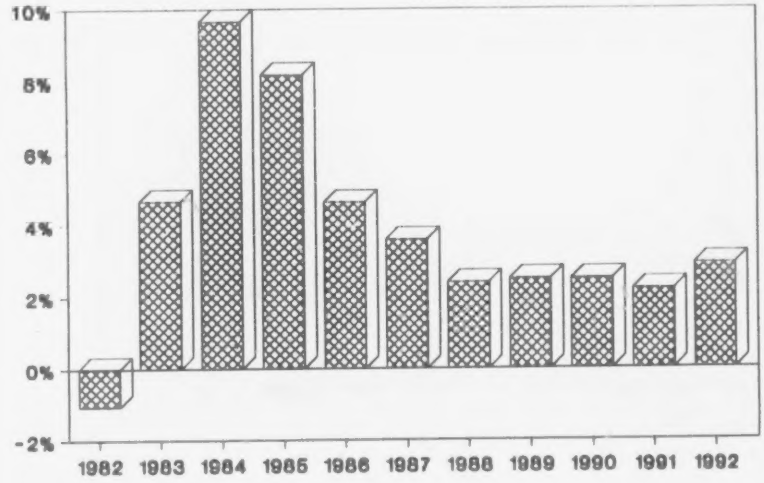
Despite all the "bad press" and a national recession looming overhead, Arizona is expected to continue to create jobs in 1991 and 1992, although the rate of growth this year should be the lowest since the recession of 1982. After advancing 2.5 percent (36,400 jobs) in 1990, total wage and salary employment growth is forecast to bottom out at 2.2 percent (33,000 jobs) in 1991, then pick up steam in 1992, growing 2.9 percent (44,700 jobs).

Rural Counties Show Strength

Maricopa County, which accounts for two-thirds of Arizona's wage and salary positions, is forecast to grow at about the same rate as the state. Pima County is expected to experience slower growth than the state while the non-metropolitan counties (all counties except Pima and Maricopa) as a group should grow at a faster rate than the state. And for the first time since the last recession, the non-metropolitan counties' share of wage and salary employment should exceed that for Pima County.

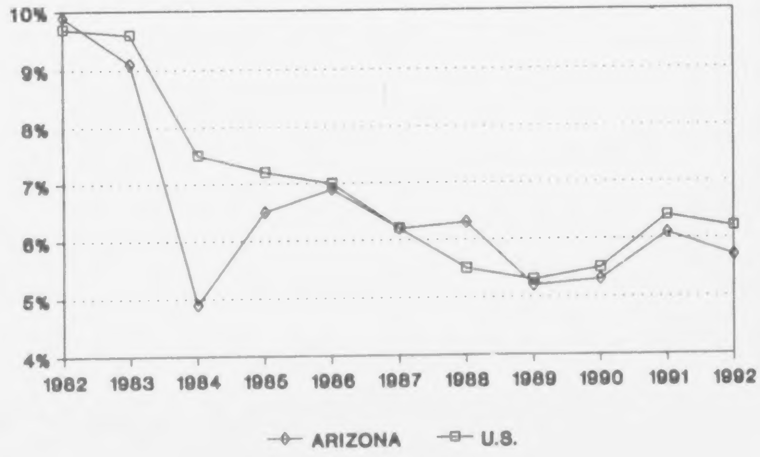
Due to the effects of a mild national recession, the forecast for 1991 calls for general

Figure 1. **Arizona Wage and Salary Employment Growth Rates, Actual (1982-1990) and Projected (1991-92)**



Source: Arizona Department of Economic Security, Research Administration, Feb. 1991

Figure 2. **Arizona vs. U.S. Unemployment Rates, Actual (1982-1990) and Projected (1991-92)**



Source: Arizona Department of Economic Security, Research Administration, Feb. 1991; Wharton Econometric Forecasting Associates, Dec. 1990 weakness in all of Arizona's industries. However, construction; manufacturing; and transportation, communications, and public utilities (TCPU) are expected to bear the brunt of the slowdown. As the nation's economy picks up speed in 1992, so should Arizona's, but construction and manufacturing should still be below their long-run, employment-growth averages.

The service industry, which accounts for more than one-quarter of Arizona's wage and salary positions, continues to be a stellar performer in terms of job creation and the rate of growth. Business services and health services led the way in 1990 and helped create 17,900 new jobs while growing 4.6 percent. Services should not be immune from a slower national economy but is expected to expand a respectable 3.7 percent in 1991, creating 15,100 new jobs. Growth should pick up in 1992, averaging 4.1 percent with the addition of 17,300 jobs.

Trade Tapered Off in '90

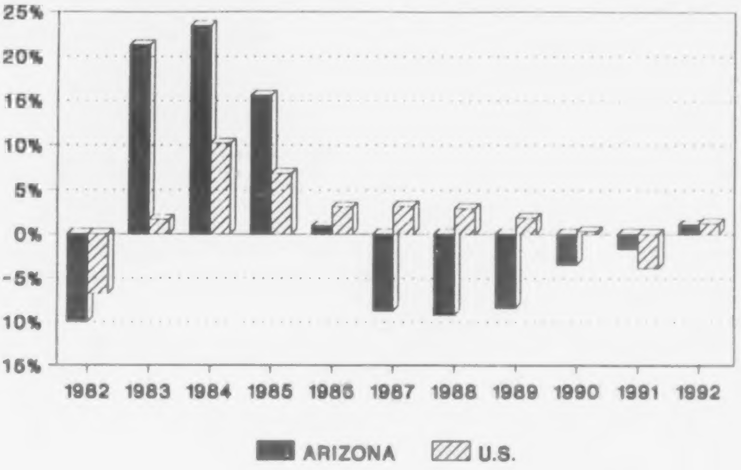
Trade began to exhibit signs of weakness in 1990 after seven "lucky" years of strong growth. Trade grew a scant 1.6 percent in 1990, adding only 5,900 jobs. The fallout in food stores hit both grocery and convenience stores, but growth was still positive. Automotive and service stations actually contracted as did the catchall sector of "other retail."

Despite 1990's poor performance, trade is forecast to add 8,000 new jobs with growth of 2.2 percent in 1991. Growth in 1992 should be even better, with trade expected to expand 2.9 percent (11,000 positions). Expectations of restored consumer confidence, a rebound in tourist activity, continued strength in new-business openings, and the lack of further declines in major subindustries all contribute to trade's outlook.

Government employment experienced strong growth in 1990, adding 11,200 jobs (4.5 percent growth). Particularly strong were the federal and school sectors. The forecast calls for slower growth in the near future as the state, county, and local gov-

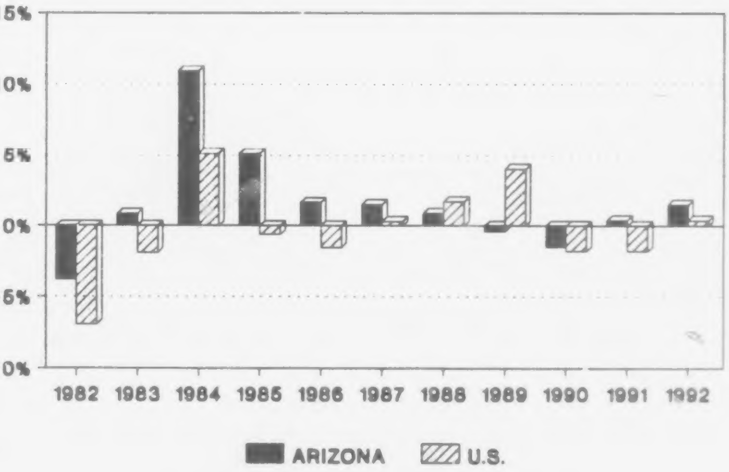
(Continued on page 17)

Figure 3. **Arizona vs. U.S. Construction Employment Growth Rates, Actual (1982-1990) and Projected (1991-92)**



Source: Arizona Department of Economic Security, Research Administration, Feb. 1991; Wharton Econometric Forecasting Associates, Dec. 1990

Figure 4. **Arizona vs. U.S. Manufacturing Employment Growth Rates, Actual (1982-1990) and Projected (1991-92)**



Source: Arizona Department of Economic Security, Research Administration, Feb. 1991; Wharton Econometric Forecasting Associates, Dec. 1990

Maricopa County's Theme is Slow But Steady Growth

As years go, 1990 was so-so for the Phoenix metropolitan area. Although the annual-average unemployment rate, at 4.3 percent, was among the lowest since 1984, total employment and labor force growth slowed to 1.3 percent. Unemployment grew a little faster (2.2 percent), raising annual-average unemployment to 46,400, up about 1,000 over 1989.

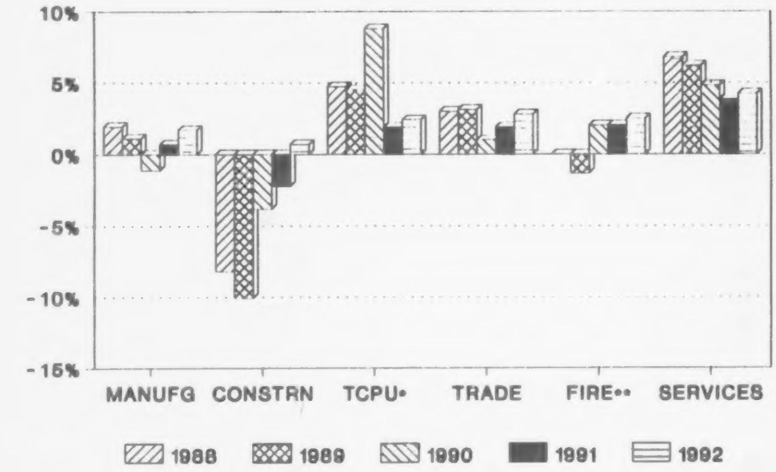
The Phoenix area's non-farm payroll job growth was similarly slow, equaling 1989's ho-hum 2.5 percent increase (24,000 jobs). Although metro Phoenix outperformed metro Tucson (1.5 percent growth) in 1990, both urban areas were beat by the rural counties, which as a group had job growth of 3.5 percent.

Metro Phoenix had 985,600 non-farm payroll jobs in 1990. By sector, the largest number (275,900, or 28.0 percent) were in services. Services' growth, however, slowed to 4.8 percent, its lowest rate since the last recession year of 1982. Nevertheless, its 12,700 additional jobs accounted for more than half of job growth in the Phoenix area.

Despite slow job growth overall, transportation, communications, and public utilities (TCPU) grew at the spectacular rate of 8.8 percent in 1990. While that meant the addition of only 4,800 jobs, TCPU's growth rate was exceeded only in 1987 (11.6 percent) during the past decade and it was the highest among all major industry groups last year.

The transportation sector was primarily responsible for TCPU's high growth rate. Phoenix-based airlines had an especially good year on an annual-average basis, although most of that growth was in the first half of the year. Communications and public utilities grew at about one-third the rate of transportation, and by the end of the year public utilities were announcing impending layoffs.

Figure 1. **Maricopa County Employment Growth Rates, In Selected Industries, Actual (1988-1990) and Projected (1991-92)**



*TCPU - TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES
**FIRE - FINANCE, INSURANCE, AND REAL ESTATE

Source: *Arizona Department of Economic Security, Research Administration, Feb. 1991*

Government had the second-fastest growth rate at 5.1 percent, adding 6,500 jobs. The growth rate was atypically high because of the 1990 Census. A fair share of those jobs were temporary.

Second only to services in absolute size, trade employed 248,200 and provided about one-out-of-four, Phoenix-area jobs, but only one-out-of-10 new jobs in 1990. Trade's growth rate was its lowest since 1982, but was still positive. Trade posted a 1.0 percent gain, adding 2,500 jobs.

Restaurants and Bars Had Solid Year

Among the retail trade sector, restaurants and bars had the strongest growth while automotive dealers and food stores actually lost employment over the year. Uncertainty resulting from the national recession and Middle East war slowed sales of big-ticket items, like cars, during the last quarter of 1990. Food stores suffered attrition from an over-competitive market.

Speaking of attrition, despite U.S. Resolution Trust Corp. (RTC) control of nearly all Phoenix-area savings and loan organizations in 1990, the finance, insurance, and real estate (FIRE) industry grew 2.0 percent, adding 1,500 jobs. The finance and insurance component grew 2.8 percent while real estate grew only 1.3 percent. Finance's growth rate was the lowest since 1982, except for the disastrous 26.8 percent decline in 1988 — when the savings and loan industry collapsed — and the residual decline in 1989 of 0.8 percent. (See *Arizona Labor Market Information Newsletter*, December 1990)

Finally, 1990 marked the fifth consecutive year of construction employment losses, the perennial reason for weak job growth in the Phoenix area. To be sure, the 3.9 percent rate of decline was lower than in any of the three preceding years, but losses still amounted to 1,200 jobs. Neither mega-project freeway construction nor belated efforts by the Federal Reserve to lower interest rates could pull off a turn in

Table 1. Maricopa County Labor Force and Employment Data, Actual (1990) and Projected (1991-92) (Annual Averages, In Thousands)

	1990	Growth Rate	1991	Growth Rate	1992	Growth Rate
Labor Force	1,074.5	1.3%	1,085.7	1.0%	1,107.4	2.0%
Unemployment	46.4	2.2%	53.3	14.9%	50.9	-4.5%
Unemployment rate	4.3%		4.9%		4.6%	
Total Employment	1,028.1	1.3%	1,032.4	0.4%	1,056.5	2.3%
Total Wage and Salary Employment	985.6	2.5%	1,006.7	2.1%	1,035.6	2.9%
Manufacturing	138.2	-1.1%	139.1	0.7%	141.5	1.7%
Mining	0.8	0.0%	0.8	0.0%	0.8	0.0%
Construction	55.5	-3.8%	54.3	-2.2%	54.7	0.7%
TCPU*	58.4	8.8%	59.5	1.9%	60.9	2.4%
Trade	248.2	1.0%	253.0	1.9%	260.0	2.8%
FIRE**	75.4	2.0%	76.9	2.0%	78.8	2.5%
Services	275.9	4.8%	286.4	3.8%	298.4	4.2%
Government	133.3	5.1%	136.7	2.6%	140.4	2.7%

* TCPU = Transportation, Communications, and Public Utilities.
** FIRE = Finance, Insurance, and Real Estate.

NOTE: Totals may not add due to rounding.

Source: Arizona Department of Economic Security, Research Administration, Feb. 1991

the industry. Vacancy rates in office, industrial, retail, and multi-family properties remained high (though lower than in 1989), a legacy of the building binge of the early 1980s.

The surprise of the year was that manufacturing, too, lost employment. The industry declined 1.1 percent, losing 1,600 jobs. This was the first decline in manufacturing since the last national recession, although growth has been weak, fluctuating between 2.4 percent and 1.1 percent in each of the last three years. Manufacturing of construction-related products took the biggest hits. High-tech manufacturing, on the other hand, actually grew 0.9 percent, adding 600 jobs.

More Slow Growth Ahead

The outlook for the next two years is essentially more of the same slow growth with slightly higher unemployment rates. Because the national recession is expected to be short — probably no more than nine months — little additional effect should be felt locally.

Labor force growth should remain low in 1991 — about 1.0 percent. Most of that growth will be additions to the unemployed — about another 7,000 on an annual-average basis. The unemployment rate is expected to rise to 4.9 percent with 53,300 unemployed, up from 1990's 4.3 percent and 46,400 unemployed.

By 1992, a national recovery is forecast to be sufficiently under way to cause the labor force to grow 2.0 percent, while total employed is expected to jump 24,100 on top of 4,300 added in 1991. Unemployment is exepected to drop about 2,400 with a corresponding drop in the unemployment rate to 4.6 percent.

Despite a slower growth rate than in 1990, Maricopa County should reach a major milestone in 1991 — more than 1 million payroll jobs. DES, Research Administration, forecasts 1991 job growth to idle down to 2.1 percent with only 21,100 jobs added. Annual-average, non-farm payroll employment is expected to total 1,006,700. A modest improvement in 1992 should raise job growth to 2.9 percent (28,900 jobs).

Although the Phoenix-area labor market will benefit in time from reduced interest rates, on an annual-average basis Phoenix will probably see yet another year of declining construction employment. The rate of decline should moderate to 2.2 percent (1,200 jobs), bringing annual-average construction employment to 54,300 jobs.

This should indeed be the bottom of the construction slide. By 1992, assuming the Federal Reserve keeps interest rates low, local banks pass the savings on, and vacancies are adequately absorbed, construction is expected to see a modest upturn. Construction employment is forecast to grow 0.7 percent (400 jobs) in 1992.

Manufacturing employment, too, will remain stagnant in 1991, although growth will probably at least be positive. Manufacturing is forecast to grow 0.7 percent (900 jobs), bringing factory employment to 139,100. A modestly improved growth rate of 1.7 percent (2,400 jobs) is expected for 1992.

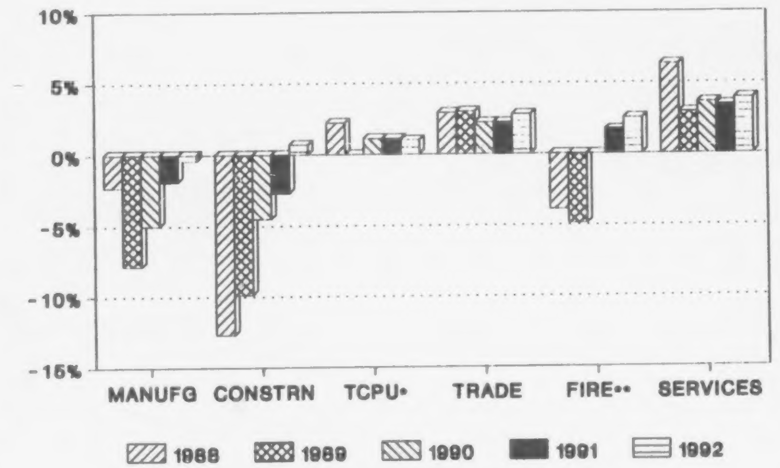
TCPU, Maricopa County's star performer of 1990, is not expected to match the growth rate of total payroll jobs in 1991. Transportation carried the industry group to a soaring 8.8 percent growth rate in 1990, but cannot be expected to float its own load in 1991.

Phoenix-based airlines were the major engine behind the rapid growth and by the end of 1990 were already experiencing financial problems. Fuel prices escalated after Iraq invaded Kuwait in August, doubling airline operating costs. While fuel prices are once again falling with the promise of continuing supply from other sources, they have not returned to pre-invasion levels. RA forecasts TCPU will grow only 1.9 percent in 1991, adding

(Continued on page 8)

Pima County Expected to See Slight Improvement

Figure 1. Pima County Employment Growth Rates, In Selected Industries, Actual (1988-1990) and Projected (1991-92)



*TCPU - TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES
**FIRE - FINANCE, INSURANCE, AND REAL ESTATE

Source: Arizona Department of Economic Security, Research Administration, Feb. 1991

Pima County showed stronger non-farm wage and salary job growth in 1990 (1.5 percent, or 3,800 jobs) than in 1989 (0.3 percent, or 700 jobs). The increase occurred despite the trouble in the Middle East eroding consumer confidence and a national recession looming on the horizon.

The bulk of the job growth occurred in trade, services, and government, which had a combined gain of 5,700 jobs. The gains in these three industries helped to offset 2,100 jobs lost in manufacturing and construction. The losses in manufacturing and construction closely mirrored those occurring in Maricopa County (see "Maricopa County's Theme ... ," p. 5).

Although Pima County's economy continued to grow in 1990, its growth lagged behind Maricopa County and the non-metropolitan counties as a whole, which posted growth rates of 2.5 percent and 3.5 percent, respectively. The good news, however, is Pima County is expected to avoid falling into a recession during the forecast period, although the trend of slow growth will likely continue. Pima County is projected to grow 1.8 percent in 1991 and 2.6 percent in 1992.

Pima County will also enjoy lower unemployment rates than in Maricopa County. On an annual-average basis, Pima County's unemployment rate in 1990 was 4.1 percent, or two-tenths of a percent lower than in Maricopa County. If the national economy does not deteriorate further, the forecast calls for the rate to climb to 4.6 percent in 1991, before falling back to 4.2 percent in 1992.

Pima County manufacturing employment declined 5.0 percent (1,400 jobs) in 1990 on an annual-average basis. Losses are expected to moderate over the next two years, however, with a decline of 1.9 percent in 1991 and a modest loss of 0.4 percent in 1992. Expansion by several new companies in Pima County — Lockheed Aeromod, Weiser Lock, HE Microwave, and Sargent Controls — should contribute to manufacturing's improvement.

Durable-goods manufacturing is expected to lose 600 jobs in 1991 and another 200 jobs in 1992. Non-durable goods manufacturing is expected to add 100 jobs in both the 1991 and 1992 forecast years.

Construction Not Out of Woods

Construction employment declined 4.5 percent (700 jobs) in 1990, an improvement on a 9.9 percent drop in 1989. Construction is expected to post a loss of 2.7 percent in 1991 before showing a gain of 0.7 percent in 1992. The majority of the job losses should be in general and heavy construction with growth in special-trades employment offsetting some of these declines. Although construction, like manufacturing, is still showing job losses, the magnitude of these losses has slowed, and the bottom should be in sight for both industries, if the national recession does not deepen.

Services, which accounts for 29.1 percent of all non-farm wage and salary jobs in Pima County, will be the big winner during the forecast period. After posting a gain of 2,600 jobs in 1990, services is forecast to add 2,500 positions in 1991 with growth in business services and health services of 4.7 percent and 4.1 percent, respectively. In 1992, 3,000 additional jobs are projected for services, continuing a trend of growth between 3.0 percent and 4.0 percent (inclusive). Contributing to services' gains will be the opening in Tucson of an America Airlines reservation center, United Airlines frequent-flyer service center, and the national headquarters of the Muscular Dystrophy Association.

Besides services, trade and government are the only other industries in Pima County to show substantial employment gains in 1990. Trade added 1,300 positions, while government increased by 1,800.

Growth in the government sector should slow somewhat during the forecast period with 1,300 new jobs expected in 1991 and 100 more than that in 1992. Trade's outlook is similar. An additional 1,300 jobs are expected in 1991, with its subindustries of retail trade and wholesale trade adding 1,100 and 200 positions, respectively. Trade is expected to improve slightly in 1992 with employment gains of 1,700.

Three major industry groups — mining; transportation, communications, and public utilities (TCPU); and finance, insurance, and real estate (FIRE) — held steady or showed only slight gains in 1990.

In the forecast period, mining employment is expected to again hold steady in 1991 before adding an additional 100 positions in 1992, while TCPU will likely grow by 100 in both years. Growth in TCPU should be concentrated in the transportation and communications sector with public utilities holding steady.

FIRE is expected to show the most improvement of these three major industry groups, gaining 200 jobs in 1991 and 300 in 1992. FIRE's insurance and real estate sectors are expected to show improvement, while the finance sector is not likely to grow during the forecast period.

Table 1. Pima County Labor Force and Employment Data, Actual (1990) and Projected (1991-92) (Annual Averages, In Thousands)

	1990	Growth Rate	1991	Growth Rate	1992	Growth Rate
Labor Force	313.7	-0.7%	323.9	3.3%	330.7	2.1%
Unemployment	12.9	-8.5%	15.0	16.3%	14.0	-6.7%
Unemployment rate	4.1%		4.6%		4.2%	
Total Employment	300.8	-0.4%	309.0	2.7%	316.7	2.5%
Total Wage and Salary Employment	253.9	1.5%	258.5	1.8%	265.1	2.6%
Manufacturing	26.5	-5.0%	26.0	-1.9%	25.9	-0.4%
Mining	2.2	4.8%	2.2	0.0%	2.3	4.5%
Construction	14.8	-4.5%	14.4	-2.7%	14.5	0.7%
TCPU*	9.5	1.1%	9.6	1.1%	9.7	1.0%
Trade	60.2	2.2%	61.5	2.2%	63.2	2.8%
FIRE**	11.7	0.0%	11.9	1.7%	12.2	2.5%
Services	74.0	3.6%	76.5	3.4%	79.5	3.9%
Government	55.1	3.4%	56.4	2.4%	57.8	2.5%

* TCPU = Transportation, Communications, and Public Utilities.
** FIRE = Finance, Insurance, and Real Estate.

NOTE: Totals may not add due to rounding..

Source: Arizona Department of Economic Security, Research Administration, Feb. 1991

—Dennis Doby
RA Economist

Maricopa

(Continued from page 6)

only 1,100 jobs. The 1992 growth rate will be a slightly better 2.4 percent (1,400 jobs).)

Again in 1991, one-half of the new jobs should be provided by services. Despite descending to its lowest rate of growth in more than a decade, services is projected to grow 3.8 percent (10,500 jobs). The increase in 1992 to a 4.2 percent rate of growth, still among the lowest of the decade, implies the addition of 12,000 jobs.

Trade is expected to add the next largest number of jobs. RA forecasts growth rates of 1.9 and 2.8 percent, respectively, in 1991 and 1992. That's an additional 4,800 jobs in 1991 and 7,000 jobs in 1992. Although greater than in 1990, trade's growth rates, like services', are still among the weakest since 1982.

FIRE, which for decades grew at about the rate of population growth, expanded rapidly in the early- to mid-1980s when financial institutions were deregulated, then fought in the late 1980s to hold its level as savings and loans failed en-mass. During the next two years, FIRE is expected to stabilize, growing at rates slightly under the rate for non-farm payroll employment. RA forecasts growth of 2.0 percent (1,500 jobs) in 1991 and 2.5 percent (1,900 jobs) in 1992.

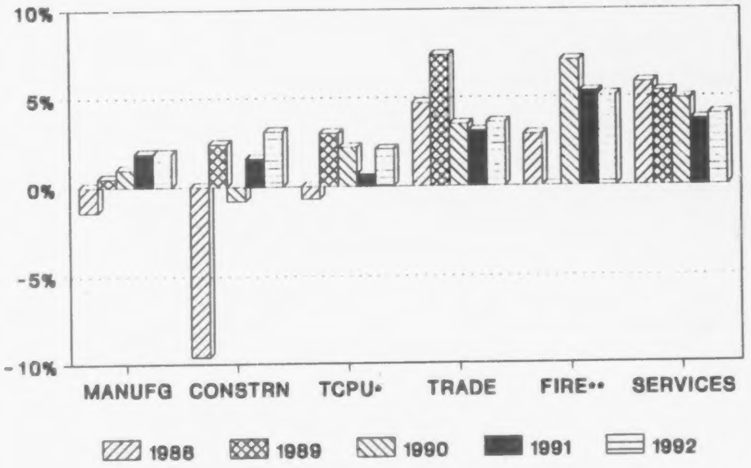
In the coming two years, government is expected to return to rates below long-run, average growth. Although population growth may require employment expansion (especially in schools), budget shortfalls and citizens' resistance to increased taxation will hold government growth rates down. RA forecasts growth of 2.6 percent (3,400 jobs) in 1991 and 2.7 percent (3,700 jobs) in 1992.

In summary, the early 1990s are expected to be lackluster years for Maricopa County economic growth. Growth rates should be above national rates, but hardly more than a percentage point. As the national economy improves, Maricopa County is forecast to return to higher rates of growth consistent with its history of the past three decades and high enough to hold rank among the fastest-growing areas of the country.

—Ron Simon
RA Economic Analysis Manager

Rural Counties Should Outperform Metro Areas

Figure 1. **Non-metropolitan Counties Employment Growth Rates, In Selected Industries, Actual (1988-1990) and Projected (1991-92)**



*TCPU = TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES
**FIRE = FINANCE, INSURANCE, AND REAL ESTATE

Source. *Arizona Department of Economic Security, Research Administration, Feb. 1991*

Because they are less populated and away from the major media markets, Arizona's non-metropolitan counties (all counties except Maricopa and Pima) are often a forgotten part of the state's economic picture, particularly when it comes to employment growth. But that may not be true for long.

As recent history shows, the efforts of rural-area, economic-development agencies appear to be paying dividends. In fact, in four of the past five years (1988 odd year out), the non-metropolitan counties have expanded at higher rates of growth than both Maricopa County and Pima County.

In addition, over the forecast horizon the non-metropolitan counties are expected to continue to grow at a faster rate than the metropolitan areas. Further, in 1991 the non-metropolitan counties should command a slightly larger piece of Arizona's wage and salary employment pie than will Pima County. The non-metropolitan counties have enjoyed No. 2 status before, behind Maricopa County, but not since the recession of 1982.

Slower growth nationwide and in Arizona's metropolitan areas, however, is expected to adversely affect the non-metropolitan counties' growth prospects in 1991. But growth should improve in 1992 as the national economy continues to recover from the current recession. After growing 3.5 percent and creating 8,600 new jobs in 1990, the non-metropolitan counties are expected to expand in 1991 at a rate of 2.9 percent (7,400 jobs), then accelerate to 3.5 percent (9,100 positions) in 1992.

Counties that have a diverse economic base — Coconino, Yavapai, and Yuma — are expected to benefit the most over the two-year forecast period. Mohave County, which posted a booming 10.4 percent growth rate in 1990, a direct result of the explosive growth in Laughlin, Nevada's, gaming industry, will continue to prosper across nearly all major industry groups. Other counties, such as Pinal and Gila, will also do well, mainly because of their proximity to the metropolitan areas. Further, counties with tourist-related draws or high traffic flow due to interstate highways, will continue to expand.

Tourist-Related Sectors Spur Growth

The importance of three major industry groups — trade, services, and government — to the non-metropolitan counties' economy cannot be overstated. Trade and services combined account for almost 50.0 percent of all wage and salary positions in the non-metropolitan counties. A large portion of these jobs are a direct result of tourist-related activities. When government is added in, the three sectors control about three-quarters of the rural-counties' economy, compared to two-thirds of Maricopa County's economy.

Government, the largest industry group in the non-metropolitan counties, added the greatest number of jobs in 1990. Government created 2,900 positions, growing at a rate of 4.4 percent. The hiring of census workers contributed substantially to this strong year. The forecast calls for growth to slow to 3.0 percent (2,100 jobs) in 1991, then pick up to 3.5 percent (2,500 jobs) the following year.

Services grew a healthy 4.9 percent in 1990, adding 2,600 jobs. A slower national economy is expected to retard growth in 1991 to 3.7 percent (2,100 jobs). The pace will quicken in 1992 to growth of 4.0 percent (2,300 jobs).

Trade, by historical standards, had a poor year in 1990, growing 3.5 percent (2,100 jobs). The forecast for 1991 calls for much of the same with growth at 3.1 percent (1,900 jobs). Growth in 1992 will not be spectacular either with 2,300 new jobs being created at a growth rate of 3.6 percent.

Finance, insurance, and real estate (FIRE) created 500 jobs while growing 7.1 percent in 1990. Activity along the Colorado River, in mountain areas, and in the non-metropolitan counties' larger towns all helped make 1990 a banner year. FIRE should continue to expand in 1991 and 1992 with growth of 5.3 and 5.1 percent (400 jobs) in each respective year.

Transportation, communications, and public utilities grew 2.2 percent (300 jobs) in 1990. Growth in 1991 is expected to average only 0.7 percent (100 jobs). However, a rebound will occur in 1992 with growth at 2.1 percent (300 jobs).

Manufacturing Was a Surprise

Surprisingly, the non-metropolitan counties added manufacturing jobs (200) in 1990 while the metro areas were losing factory jobs. The forecast calls for growth of 1.9 percent (500 jobs) in both 1991 and 1992, up from 1.0 percent last year.

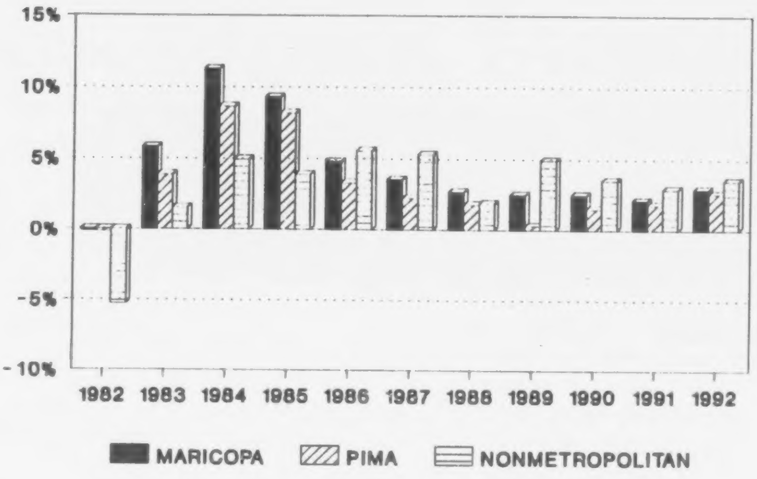
Mining created 100 jobs in 1990. As expansion goals are fulfilled, mining is expected to create 400 jobs in 1991, growing at a rate of 5.3 percent. Growth of 3.0 percent (300 jobs) is expected in 1992.

The only industry in the non-metropolitan counties that experienced declines in 1990 was construction. Construction lost 100 positions, about 1.0 percent. Growth should be positive in 1991 and 1992 — at 1.6 percent (200 jobs) and 3.1 percent (400 jobs), respectively.

Finally, the non-metropolitan counties' unemployment rate is forecast to average 11.1 percent in 1991 and 10.2 percent in 1992, both higher than the 9.7 percent rate for 1990. The distribution of unemployment among the individual counties is expected to remain fairly constant.

—Marc A. Marra
RA Economist

Figure 2. **Non-metropolitan Counties Wage and Salary Employment Growth Rates, Actual (1988-1990) and Projected (1991-92)**



Source: Arizona Department of Economic Security, Research Administration, Feb. 1991

Table 1. **Non-metropolitan Counties Labor Force and Employment Data, Actual (1990) and Projected (1991-92) (Annual Averages, in Thousands)**

	1990	Growth Rate	1991	Growth Rate	1992	Growth Rate
Labor Force	1,726.0	1.2%	1,763.2	2.2%	1,801.4	2.2%
Unemployment	92.0	3.4%	107.3	16.6%	101.9	-5.0%
Unemployment rate		5.3%		6.1%		5.7%
Total Employment	1,634.0	1.1%	1,655.9	1.3%	1,699.5	2.6%
Total Wage and Salary Employment	1,490.9	2.5%	1,523.9	2.2%	1,568.6	2.9%
Manufacturing	185.4	-1.5%	186.1	0.4%	188.9	1.5%
Mining	12.4	1.6%	12.9	4.0%	13.4	3.9%
Construction	82.8	-3.5%	81.4	-1.7%	82.2	1.0%
TCPU*	81.9	6.6%	83.1	1.5%	85.1	2.4%
Trade	370.3	1.6%	378.3	2.2%	389.3	2.9%
FIRE**	94.6	2.2%	96.7	2.2%	99.3	2.7%
Services	406.0	4.6%	421.1	3.7%	438.4	4.1%
Government	257.6	4.5%	264.4	2.6%	272.0	2.9%

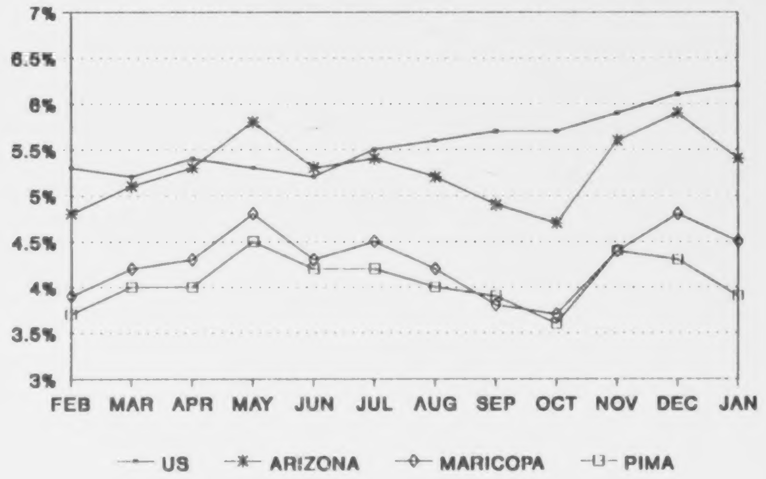
* TCPU = Transportation, Communications, and Public Utilities.
** FIRE = Finance, Insurance, and Real Estate.

NOTE: Totals may not add due to rounding.

Source: Arizona Department of Economic Security, Research Administration, Feb. 1991

The Arizona Labor Force in January

Figure 1. **U.S., Arizona, and Maricopa and Pima Counties Unemployment Rates, February 1990-January 1991**



Source: Arizona Department of Economic Security, Research Administration, Feb. 1991

Arizona's unemployment rate dropped to 5.4 percent, seasonally adjusted, in January from 5.9 percent in December. The improvement in the jobless rate can be attributed to less-than-seasonal, post-Christmas job losses and declining unemployment, from 94,000 in December to 90,700 in January.

January is typically a month of job losses no matter what the status of the business cycle. Arizona's non-farm payroll job losses last month totaled 28,800, an average amount for January in the post-1982 expansion period. The drop might have been greater had not the December 1990 estimate been revised downward 12,700 due to benchmarking.

After revision, over-the-year growth from December 1989 to December 1990 was still a relatively healthy 2.7 percent, or 40,200 non-farm payroll jobs, about the same over-the-year growth rate reported from prebenchmarked estimates. January 1990 to January 1991 over-the-year growth, on the other hand, looks surprisingly healthy, coming in at 3.6 percent, or 52,500 jobs. National growth during the same annual period was only 0.2 percent. Actually, the January-employment change was noteworthy in how average it was, given the national recession and war in the Middle East. It could be argued that mere average January job losses are evidence of an improving local economy.

All Major Groups Decline

All major industry groups lost employment last month as they normally do in January. Only construction; transportation, communications, and public utilities (TCPU); and services deviated from the average January change. In round numbers, TCPU and services each had losses about 1,000 greater than average, while construction had losses about 1,000 less than the norm.

TCPU lost 1,400 jobs with the communications and public utilities side of the regulated industry group posting most of the greater-than-seasonal drop. The decline is in line with public announcements of layoffs by major public utilities.

Transportation, Arizona's high-flying industry in 1990, lost a seasonally normal 700. Even after benchmarking, transportation was Arizona's fastest growing sector in 1990 at 8.8 percent, adding 3,900 jobs. Fending off the financial need for job cutbacks may be the challenge for airlines in 1991, given the effect higher aviation fuel prices have had on their profits.

Services employment declined 2,600 in January with most of the losses (1,700) coming in business services. Still, the drop was only one-half the average January decline for business services as retail firms normally pare back advertising services after the holiday media blitz.

Temporary help (from personnel agencies) to get through the holiday rush are also pared back in January. But fewer people were hired preceding the holiday, so fewer were let go after the holiday season. Greater-than-seasonal declines occurred in the health, lodging, and "other" components of services. Over-the-year (December to December) growth in services was a mediocre 4.8 percent, the slowest growth rate for the industry since 1982.

Construction, which on average loses 3,400 jobs in January, dropped only 2,400 this year. Again, the trend is toward a moderation of construction losses. Given the Federal Reserve's efforts in recent months to lower interest rates, some improvement should be evident in portions of the construction industry later this year. Only a prolonged war in the Middle East and consequent buyer uncertainty would delay improvement.

Manufacturing Revised Downward

Manufacturing lost 1,600 jobs last month, an average January amount. More significantly, manufacturing employment levels for December were revised downward to 184,800 from 188,000. Instead of an estimated loss of 500 factory jobs over the year, Arizona, in fact, dropped 5,000 jobs, or 2.6 percent.

A substantial part of this difference came

(Continued on page 16)

Arizona Labor Force and Employment

January 1991 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				Amount Change					Amount Change					Amount Change	
	Jan.* 1991	Dec. 1990	Jan. 1990	Dec. - Jan.	1990 - 1991	Jan. 1991	Dec. 1990	Jan. 1990	Dec. - Jan.	1990 - 1991	Jan.* 1991	Dec. 1990	Jan. 1990	Dec. - Jan.	1990 - 1991
TOTAL CIVILIAN LABOR FORCE**	1728.7	1736.8	1683.9	-8.1	+44.8	1083.2	1077.6	1049.6	+5.6	+33.6	314.7	315.1	306.5	-0.4	+8.2
Total Unemployment	90.7	94.0	77.3	-3.3	+13.4	47.7	48.7	40.7	-1.0	+7.0	12.2	13.0	11.9	-0.8	+0.3
Unemployment Rate	5.2%	5.4%	4.4%	—	—	4.4%	4.4%	3.7%	—	—	3.9%	4.1%	3.7%	—	—
Unemployment Rate (Sea. Adj.)***	5.4%	5.9%	4.7%	—	—	4.5%	4.8%	4.0%	—	—	3.9%	4.3%	3.9%	—	—
Total Employment	1638.0	1642.8	1606.6	-4.8	+31.4	1035.5	1028.9	1009.0	+6.6	+26.5	302.5	302.1	294.6	+0.4	+7.9

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
TOTAL WAGE AND SALARY	1508.0	1536.8	1455.5	-28.8	+52.5	999.8	1016.6	961.5	-16.8	+38.3	254.4	260.6	250.4	-6.2	+4.0
Manufacturing	183.2	184.8	185.8	-1.6	-2.6	136.2	137.3	138.7	-1.1	-2.5	26.3	26.4	26.8	-0.1	-0.5
Durable Goods	137.4	138.4	140.0	-1.0	-2.6	103.9	104.6	105.8	-0.7	-1.9	20.5	20.6	21.1	-0.1	-0.6
Stone, Clay, and Glass	6.5	6.6	7.1	-0.1	-0.6	3.7	3.9	4.1	-0.2	-0.4					
Primary and Fabricated Metals	14.2	14.3	14.5	-0.1	-0.3	9.6	9.7	9.7	-0.1	-0.1					
Primary Metals	6.2	6.2	6.5	0.0	-0.3										
Fabricated Metals	8.0	8.1	8.0	-0.1	0.0										
Machinery	58.4	58.9	59.5	-0.5	-1.1	48.3	48.6	49.4	-0.3	-1.1					
Aircraft and Missiles	27.1	27.2	26.5	-0.1	+0.6										
Lumber and Wood Products (Excluding Furniture)	6.5	6.5	7.3	0.0	-0.8										
Nondurable Goods	45.8	46.4	45.8	-0.6	0.0	32.3	32.7	32.9	-0.4	-0.6	5.8	5.8	5.7	0.0	+0.1
Food and Kindred Products	10.4	10.4	9.9	0.0	+0.5	7.2	7.1	6.8	+0.1	+0.4					
Printing and Publishing	17.3	17.4	16.7	-0.1	+0.6	12.1	12.2	11.9	-0.1	+0.2					
Mining and Quarrying	12.6	12.6	12.1	0.0	+0.5	0.7	0.7	0.8	0.0	-0.1	2.2	2.3	2.1	-0.1	+0.1
Copper Mining	10.0	10.0	9.5	0.0	+0.5										
Construction	79.1	81.5	79.8	-2.4	-0.7	52.7	54.8	53.5	-2.1	-0.8	14.4	14.4	14.3	0.0	+0.1
Trans., Communications, & Public Utilities	82.3	83.7	80.4	-1.4	+1.9	59.1	60.3	57.0	-1.2	+2.1	9.4	9.6	9.6	-0.2	-0.2
Transportation	47.3	48.0	44.4	-0.7	+2.9	35.8	36.5	33.3	-0.7	+2.5	4.9	5.0	5.0	-0.1	-0.1
Communications and Public Utilities	35.0	35.7	36.0	-0.7	-1.0	23.3	23.8	23.7	-0.5	-0.4	4.5	4.6	4.6	-0.1	-0.1
Trade	380.2	388.9	364.4	-8.7	+15.8	256.3	262.9	244.0	-6.6	+12.3	60.9	62.1	59.7	-1.2	+1.2
Wholesale Trade	77.4	77.7	74.4	-0.3	+3.0	61.9	62.4	59.3	-0.5	+2.6	7.4	7.5	7.7	-0.1	-0.3
Retail Trade	302.8	311.2	290.0	-8.4	+12.8	194.4	200.5	184.7	-6.1	+9.7	53.5	54.6	52.0	-1.1	+1.5
General Merchandise and Apparel	50.6	54.6	47.3	-4.0	+3.3	31.0	33.9	28.3	-2.9	+2.7	8.9	9.7	8.8	-0.8	+0.1
Food Stores	50.4	51.1	48.4	-0.7	+2.0	31.9	32.5	31.0	-0.6	+0.9	8.8	8.7	7.9	+0.1	+0.9
Automotive and Service Stations	34.6	34.7	34.3	-0.1	+0.3	21.4	21.5	21.4	-0.1	0.0	5.5	5.5	5.4	0.0	+0.1
Eating and Drinking Places	106.9	108.0	102.0	-1.1	+4.9	70.0	70.5	65.5	-0.5	+4.5	19.2	19.4	19.2	-0.2	0.0
Finance, Insurance, and Real Estate	95.3	95.8	92.7	-0.5	+2.6	76.1	76.4	73.8	-0.3	+2.3	11.6	11.8	11.7	-0.2	-0.1
Services and Miscellaneous	413.6	416.2	391.0	-2.6	+22.6	281.0	283.2	266.1	-2.2	+14.9	76.4	76.0	71.9	+0.4	+4.5
Hotels and Lodging Places	44.2	44.5	40.9	-0.3	+3.3	28.3	28.2	25.8	+0.1	+2.5	6.5	6.5	6.1	0.0	+0.4
Business Services	79.0	80.7	75.5	-1.7	+3.5	63.3	65.0	61.3	-1.7	+2.0	11.3	11.1	10.0	+0.2	+1.3
Health Services	103.4	103.7	98.4	-0.3	+5.0	66.7	67.0	63.0	-0.3	+3.7	22.8	22.7	22.1	+0.1	+0.7
Government	261.7	273.3	249.3	-11.6	+12.4	137.7	141.0	127.6	-3.3	+10.1	53.2	58.0	54.3	-4.8	-1.1
Federal	45.8	45.8	45.0	0.0	+0.8										

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

Note: Presented by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Non-metropolitan Counties
Labor Force and Employment
January 1991

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,825	29,350	44,000	12,875	8,050	3,200	5,350
Total Unemployment	2,250	2,600	3,475	1,225	600	250	425
Rate	15.2%	8.9%	7.9%	9.5%	7.5%	7.8%	7.9%
Rate (Seas. Adj.)**	15.6%	8.3%	7.0%	8.9%	7.5%	8.3%	7.3%
Total Employment	12,575	26,750	40,525	11,650	7,450	2,950	4,925

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
TOTAL WAGE AND SALARY	14,550	26,400	40,475	11,150	5,125	3,125	3,975
Manufacturing	500	1,325	3,300	1,400	200	25	275
Mining & Quarrying	50	100	150	1,325	0	1,825	75
Construction	300	875	1,425	575	175	150	250
T.C.P.U.	1,825	1,650	2,425	475	150	50	125
Trade	1,450	5,550	9,625	2,350	1,550	300	1,350
F.I.R.E.	500	675	850	325	125	25	125
Services & Misc.	4,550	5,075	10,425	2,225	825	175	875
Government	5,375	11,150	12,275	2,475	2,100	575	900

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,700	28,925	37,100	12,200	41,450	54,825
Total Unemployment	2,700	3,375	3,000	1,425	2,350	7,150
Rate	7.0%	11.7%	8.1%	11.7%	5.7%	13.0%
Rate (Seas. Adj.)**	6.6%	11.4%	8.6%	13.3%	5.2%	22.7%
Total Employment	36,000	25,550	34,100	10,775	39,100	47,675

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	27,200	21,825	29,975	11,600	28,600	29,900
Manufacturing	2,500	2,050	3,500	1,025	2,325	2,300
Mining & Quarrying	50	1,150	3,875	25	950	50
Construction	2,800	700	700	325	2,400	1,375
T.C.P.U.	1,350	1,575	1,100	775	1,100	1,125
Trade	8,225	4,125	5,700	5,575	7,675	9,600
F.I.R.E.	1,425	450	800	275	1,025	1,075
Services & Misc.	6,550	5,400	4,750	1,800	7,125	6,475
Government	4,300	6,375	9,550	1,800	6,000	7,900

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Jan.* 1991	Dec. 1990	Jan. 1990	Jan.* 1991	Dec. 1990	Jan. 1990	Jan.* 1991	Dec. 1990	Jan. 1990
Manufacturing	420.33	426.94	410.59	40.3	40.7	41.1	10.43	10.49	9.99
Aircraft & Missiles	658.35	691.01	625.80	46.2	47.2	44.7	14.25	14.64	14.00
Food & Kindred Prod.	343.68	356.33	336.40	38.4	39.2	38.8	8.95	9.09	8.67
Primary Metals	491.40	494.54	479.18	37.8	37.1	38.0	13.00	13.33	12.61
Machinery	391.24	390.26	364.62	39.4	39.5	38.1	9.93	9.88	9.57
Copper Mining	644.44	625.65	599.38	44.2	43.0	44.3	14.58	14.55	13.53
Construction	437.04	436.73	424.63	37.1	37.2	36.2	11.78	11.74	11.73
Utilities	775.67	752.58	721.15	44.4	44.4	42.9	17.47	16.95	16.81
Retail Trade**	247.10	255.99	251.29	31.2	32.2	32.3	7.92	7.95	7.78
Wholesale Trade	394.16	403.37	370.56	37.9	39.2	38.4	10.40	10.29	9.65

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Jan.* 1991	Dec. 1990	Jan. 1990	Jan.* 1991	Dec. 1990	Jan. 1990	Jan.* 1991	Dec. 1990	Jan. 1990
Manufacturing	443.77	458.81	426.01	40.9	41.9	41.2	10.85	10.95	10.34
Construction	462.38	465.35	449.94	37.9	38.3	36.7	12.20	12.15	12.26
Retail Trade**	266.98	270.43	264.80	32.4	32.7	33.1	8.24	8.27	8.00
Wholesale Trade	426.72	434.66	388.36	38.1	39.3	38.3	11.20	11.06	10.14

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Jan.* 1991	Dec. 1990	Jan. 1990	Jan.* 1991	Dec. 1990	Jan. 1990	Jan.* 1991	Dec. 1990	Jan. 1990
Manufacturing	388.47	406.06	353.87	38.5	39.5	36.9	10.09	10.28	9.59
Construction	388.44	382.05	366.04	35.9	34.7	35.4	10.82	11.01	10.34
Utilities	642.05	620.33	592.06	41.8	41.3	38.9	15.36	15.02	15.22

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
January 1991

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,728,747	1,638,027	90,720	5.2%
Apache	14,820	12,570	2,250	15.2
Cochise	29,338	26,738	2,600	8.9
Coconino	44,012	40,526	3,486	7.9
Gila	12,869	11,656	1,213	9.4
Graham	8,034	7,441	593	7.4
Greenlee	3,216	2,960	256	8.0
La Paz	5,352	4,931	421	7.9
Maricopa	1,083,168	1,035,459	47,709	4.4
Mohave	38,702	36,006	2,696	7.0
Navajo	28,932	25,550	3,382	11.7
Pima	314,704	302,538	12,166	3.9
Pinal	37,114	34,105	3,009	8.1
Santa Cruz	12,198	10,767	1,431	11.7
Yavapai	41,468	39,109	2,359	5.7
Yuma	54,834	47,673	7,161	13.1

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Labor Force

(Continued from page 11)

from the construction-related sectors of stone, clay, and glass; and lumber and wood products. Employment levels in primary-metals manufacturing were also revised downward, dropping 1,700 to a level of 6,200 in December 1990. Coupled with a downward revision of 500 for December 1989, over-the-year jobs losses in the primary-metals sector amounted to 1,000.

Trade normally loses more jobs than any other industry in January, except government. Trade, after all, hires more part-time help during the Christmas season than any other industry. This year was no exception.

Trade lost 8,700 jobs last month, equaling the post-1982 recession average. But just as manufacturing employment levels for 1989 and 1990 were revised downward, so were trade levels. Trade employment for December 1990 was lowered to 388,900 from 396,800, reducing over-the-year job growth to 10,100 from 11,000. The consequent 2.7 percent gain over the year about equaled growth in 1988, an expansionary but weak growth year.

Government lost more jobs in January (11,600) than any other industry. But winter-recess losses are normal and the amount lost was average. School employment levels should return to normal levels in the next two months. Government employment growth for the year ending in December was 4.8 percent, or 12,500 jobs.

—Ron Simon
RA Economic Analysis Manager

Arizona

(Continued from page 4)

ernments attempt to overcome their budgetary problems. Government is forecast to create 6,800 new jobs and grow at a rate of 2.6 percent in 1991. The outlook is expected to be better for 1992 with 7,600 jobs being created and growth pegged at 2.9 percent.

Table 1. Arizona Labor Force and Employment Data, Actual (1990) and Projected (1991-92) (Annual Averages, In Thousands)

	1990	Growth Rate	1991	Growth Rate	1992	Growth Rate
Labor Force	1,726.0	1.2%	1,763.2	2.2%	1,801.4	2.2%
Unemployment	92.0	3.4%	107.3	16.6%	101.9	-5.0%
Unemployment rate		5.3%		6.1%		5.7%
Total Employment	1,634.0	1.1%	1,655.9	1.3%	1,699.5	2.6%
Total Wage and Salary Employment	1,490.9	2.5%	1,523.9	2.2%	1,568.6	2.9%
Manufacturing	185.4	-1.5%	186.1	0.4%	188.9	1.5%
Mining	12.4	1.6%	12.9	4.0%	13.4	3.9%
Construction	82.8	-3.5%	81.4	-1.7%	82.2	1.0%
TCPU*	81.9	6.6%	83.1	1.5%	85.1	2.4%
Trade	370.3	1.6%	378.3	2.2%	389.3	2.9%
FIRE**	94.6	2.2%	96.7	2.2%	99.3	2.7%
Services	406.0	4.6%	421.1	3.7%	438.4	4.1%
Government	257.6	4.5%	264.4	2.6%	272.0	2.9%

* TCPU = Transportation, Communications, and Public Utilities.
** FIRE = Finance, Insurance, and Real Estate.

NOTE: Totals may not add due to rounding.

Source: Arizona Department of Economic Security, Research Administration, Feb. 1991

Finance, insurance, and real estate (FIRE) rebounded in 1990 after two years on the downside. FIRE is forecast to hold its own in the near term as additions in credit-card servicing and mortgage-refinance businesses will more than offset possible losses in general banking and saving and loans. FIRE is expected to create 2,100 jobs in 1991, growing at a rate of 2.2 percent, about the same as in 1990. In 1992, growth should accelerate to 2.7 percent (2,600 jobs).

TCPU had a banner year in 1990 with the addition of 5,100 jobs and growth averaging 6.6 percent. Expansion among air carriers was responsible for a large portion of these gains. The forecast for 1991 calls for a sizable slowdown in TCPU growth to 1.5 percent with the addition of only 1,200 jobs. Growth is expected to pick up to 2.4 percent in 1992 (2,000 jobs). This forecast takes into consideration the problems air carriers are experiencing nationwide as well as restructuring related to Arizona's electricity-generating public utilities.

Manufacturing to Pick Up Slightly

Manufacturing lost ground in 1990, declining 1.5 percent, or 2,800 jobs. In line with national trends, the durable-goods sector — especially lumber and wood, aggregates, primary metals, and machinery — was the hardest hit. However, non-durable goods also had a poor showing. In 1991, manufacturing is expected to remain fairly stable with 700 jobs being created, or growth of only 0.4 percent. Growth is forecast to accelerate in 1992 to 1.5 percent with the addition of 2,800 jobs.

The construction industry still remains plagued by structural problems that are not expected to be remedied any time soon. A decline of 3.5 percent in 1990 represented a fourth-straight year of losses that now total more than 30,000 jobs.

Although Arizona's population is expanding and interest rates have recently taken favorable swings, these factors are not enough to offset oversupply conditions that exist in almost all sectors of real estate. A contraction in construction employment of 1.7 percent, or a loss of 1,400 jobs, is forecast for 1991. Nominal expansion of 1.0 percent or 800 jobs is expected in 1992.

The mining industry continued to create jobs in 1990. Stable copper prices are expected to ensure expansion in the near term with growth estimated at about 4.0 percent (500 additional jobs) in both 1991 and 1992.

Finally, Arizona's unemployment rate in 1991 is forecast to creep up to levels experienced between 1985 and 1988, but then moderate somewhat in 1992. The forecast calls for generally higher unemployment levels and slower labor force growth with the unemployment rate averaging 6.1 and 5.7 percent in 1991 and 1992, respectively. The unemployment rate averaged 5.3 percent this past year.

Overall, Arizona's outlook over the next two years remains positive. Despite the effects of a national recession, Arizona's economy should continue to expand, albeit slowly. However, further negative shocks to an already weak U.S. economy may very well portend tough times ahead.

—Marc A. Marra
RA Economist

Many Noteworthy Items in Substate Census Totals

It's "official," but not "final." A little more than a year after the 1990 U.S. Census began in earnest, most of the "official" tabulations have been completed. The tedious and time-consuming door-to-door and "Were you Counted?" campaigns, as well as the Post-Census Local Review process — where local governments had a chance to challenge census counts — are now only faded memories.

But a lawsuit filed by cities (including Phoenix) claiming they were undercounted will allow the Census Bureau to make one final adjustment in mid-July, if a post-enumeration survey indicates there were undercounts. Linda Strock, head of DES, Research Administration's Population Statistics Unit, believes it would be difficult, however, for the Census Bureau to make adjustments to the smallest level of geography required — 7 million blocks nationwide. (Strock's unit prepares yearly population estimates and projections for Arizona and its counties and incorporated places, as well as oversees the State Data Center, which acts as a clearinghouse for census products.)

Probably the most talked-about 1990 Census statistic from Arizona's perspective was the state's resident-based population growth, jumping from 2.72 million in 1980 to 3.67 million in 1990. Not surprisingly, Arizona was the third-fastest growing state (behind Nevada, 50.7 percent; and Alaska, 37.4 percent) during the last decade, at 35.3 percent, and ranked fifth in total number of people added with a total of about 950,000.

The substantial population increase will benefit the state both economically and politically. Arizona will pick up additional dollars from various federal programs that are funded based on population and one additional seat in the U.S. House of Representatives (the state fell about 100,000 short of picking up a second congressional seat).

Table 1. **Population Totals from U.S. Census for Arizona Counties, and by Numerical and Percentage Increase for Arizona Places, 1980-1990[1]**

State and Counties, Percentage and Numerical Increases

Places	1990	1980	Num. Change	Pct. Change
Arizona	3,665,228	2,716,546	948,682	34.92%
Apache	61,591	52,108	9,483	18.2%
Cochise	97,624	85,686	11,938	13.9
Coconino	96,591	75,008	21,583	28.8
Gila	40,216	37,080	3,136	8.5
Graham	26,554	22,862	3,692	16.2
Greenlee	8,008	11,406	-3,398	-29.8
La Paz	13,844	12,557	1,287	10.3
Maricopa	2,122,101	1,509,175	612,926	40.6
Mohave	93,497	55,865	37,632	67.4
Navajo	77,658	67,629	10,029	14.8
Pima	666,880	531,443	135,437	25.5
Pinal	116,379	90,918	25,461	28.0
Santa Cruz	29,676	20,459	9,217	45.1
Yavapai	107,714	68,145	39,569	58.1
Yuma	106,895	76,205	30,690	40.3

Top 10 Places by Percentage Increase

Places	1990	1980	Pct. Change
Gilbert	29,188	5,717	410.6%
Oro Valley	6,670	1,489	348.0
Peoria	50,618	12,171	315.9
Prescott Valley	8,858	2,284	287.8
Fountain Hills	10,030	2,771	262.0
Chandler	90,533	29,673	205.1
Goodyear	6,258	2,747	127.8
Florence	7,510	3,391	121.5
San Luis	4,212	1,946	116.4
Bullhead City	21,951	10,710	104.8

Top 10 Places by Numerical Increase

Places	1990	1980	Num. Change
Phoenix	983,403	789,704	193,699
Mesa	288,091	152,404	135,687
Tucson	405,390	330,537	74,853
Chandler	90,533	29,673	60,860
Glendale	148,134	97,172	50,962
Scottsdale	130,069	88,622	41,447
Tempe	141,865	106,920	34,945
Gilbert	29,188	5,717	23,471
Yuma	54,923	42,481	12,442
Bullhead City	21,951	10,719	11,232

1. Resident-Based Population. Does not include population overseas.

Source: U.S. Department of Commerce, Bureau of the Census, Jan. 1991

Although the growth of Arizona as a whole is headline news, on first glance there are many items of note from the census data at the substate level. Among these are:

- the city of Gilbert growing the fastest of all incorporated places — at more than 410 percent — and having the

Martin Expected to Continue Number of Dole's Initiatives

NEWS IN BRIEF

Following are brief summaries of news stories compiled from a variety of sources relating to labor issues affecting the nation and Arizona.

With the recent confirmation of Lynn Martin as Secretary of Labor, the inevitable questions arise as to whether the former Illinois congresswoman will continue on with some of the programs started by former Secretary Elizabeth Dole or will Martin have an entirely different agenda. Two programs Martin is likely to continue, says *The Washington Post*, are the "glass ceiling" initiative, "designed to break the barriers to top corporate management for women and minorities," and the stepped-up enforcement of child labor laws. Last year, the Department of Labor (DOL) conducted a series of raids on fast-food restaurants and other businesses that hire young workers.

Two other areas Dole had initiated programs that Martin will inherit concern pensions and occupational safety. The DOL has increased enforcement of federal pension laws and is currently studying ways to make pensions portable so workers can avoid losing retirement credits as they go from one job to another. (People who enter the work force today are expected to change jobs six times in their lifetime.) As for worker safety, while under the Bush administration, DOL has greatly increased its activity under the Occupational Safety and Health Administration (OSHA). Major enforcement programs have been started in the meatpacking and petrochemical industries.

Martin will also have to face the legislative agenda of organized labor, which is expected to seek reform of OSHA with tougher criminal penalties for violators. Unions are also expected to ask for increases in the federal minimum wage, which will be increasing from $3.80 to $4.25 an hour on April 1. Another area labor will make a major push will be for family and medical leave. Martin voted for a controversial bill last year that would have required employers to provide unpaid leave to workers who care for an infant or a sick family member, but the legislation died after Congress failed to override President Bush's veto of the bill.

BLS Adds, Expands Data-Collection Programs

Despite a 2.4 percent cut in its fiscal year 1991 budget, the DOL's Bureau of Labor Statistics (BLS) is funding two new programs that are expected to improve data-collection and analysis of labor market information. In addition, BLS is working with the Department of Defense to measure the impact of reduced military expenditures and is expanding coverage of the Occupational Employment Statistics (OES) survey.

One of the new programs is the Foreign Direct Investment Project, which will allow BLS to access selected foreign enterprise data collected by the Commerce Department's Bureau of Economic Analysis (BEA). Foreign direct investment has become an impor-

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eighth-largest numerical increase (23,471). Gilbert also now ranks No. 8 in overall population among Arizona places, up from 29 a decade ago.

- Greenlee County, in southeast Arizona, being the only county to lose population (-3,398, or -29.8 percent). The shutting down of mines in Morenci and Clifton probably accounted for the migration out of Greenlee County.
- Bullhead City, boosted by the hotel/gambling boom in Laughlin, Nev., having the 10th-largest percentage (104.8 percent) and numerical (11,232) increases. Although these gains were significant, some might have thought Bullhead City's count (21,951) would have been higher for two reasons: the number of hotel rooms in Laughlin increased from about 500 in 1980 to nearly 10,000 by last year, and about 75 percent of the casino workers live on the Arizona side of the Colorado River.
- almost all of Arizona's Indian tribes had sizable population increases, despite high unemployment on the reservations. The Papago reservation had the largest percentage jump (329 percent), while the Arizona portion of the Navajo reservation had the greatest numerical increase (14,890).

As a general rule, population totals for metropolitan areas and counties came in about as expected, says Strock, although "some of the rural areas didn't think they got a good count."

Part of the problem may have been that rural areas were sensing population growth that in reality was a seasonal bulge (e.g., desert dwellers living in northern counties in the summer). "Seasonal population may have been a factor in their perception," Strock says.

On a positive note, Strock says "local governments took an active role in the local-review process, promptly providing information that was requested," which helped in getting accurate counts.

And now that the tedious process of compiling decennial data is nearly behind us, the fruits of our labor — hundreds of census products on a variety of media (printed reports, CD-ROM, tape) — are not far behind. First up will be legislative and congressional redistricting data, Public Law 94-171 counts, which are expected to be available April 1.

—Brent Fine
Arizona LMI Newsletter Editor

For a complete list of 1990 population counts and information on census products, call the Population Statistics Unit at 542-5984.

Regional Unemployment Rates Came Closer Together in '90

Following are summaries of recently issued reports by the U.S. Department of Labor's Bureau of Labor Statistics (BLS). Additional information on these reports can be obtained by contacting the public affairs office of the Labor Department in Washington D.C.

Annual average unemployment rates were higher in 1990 than in 1989 for 27 states and the District of Columbia, according to estimates releasedby BLS in mid-February. Rates decreased over the year in 20 states and were unchanged in three states. Nationally, the civilian worker unemployment rate rose from an average of 5.3 percent in 1989 to 5.5 percent last year, reversing the steady decline which had been evident from 1983 through 1989.

The convergence of regional and division unemployment rates toward the national average continued in 1990. Unemployment rates among the four major regions were in a very narrow range in 1990 — from 5.3 percent in the Northeast to 5.6 percent in both the South and Midwest. In contrast, the 1989 rates ranged from 4.5 percent in the Northeast to 5.7 percent in the South; in 1988, the range was even wider — from 4.0 percent in the Northeast to 6.1 percent in the South.

The narrowing range of regional unemployment rates toward the national average reflected marked movements among the states. In 1990, 24 states had unemployment rates between 5.0 and 6.0 percent. In 1988, when the national average was also 5.5 percent, only 15 states were in the same narrow band. Last year, only three states — West Virginia, Mississippi, and Michigan — had unemployment rates of 7.0 percent or higher, whereas, in 1988, 11 states had rates that high.

Work Stoppages Dropped Last Year

After an increase in 1989, major work stoppages in the United States declined in 1990. Measures of work stoppage activity — number of stoppages (45), workers involved (202,000), and idleness (6.6 million days, or two days out of every 10,000 available work days) — were the second or third lowest recorded in the Bureau's series and approached the record lows in 1988. The work stoppage series, which dates back to 1947, covers strikes and lockouts involving 1,000 workers or more that lasted at least one shift.

The term "work stoppage" includes worker-initiated strikes, as well as lockouts of workers by their employers. BLS does not attempt to distinguish between strikes and lockouts in its statistics.

Union Membership Remained Stable in '90

An estimated 16.7 million wage and salary employees in the United States were union members in 1990. The number of union members has remained near 17 million since 1985.

Union membership stood at 16.1 percent of employment last year, down from 16.4 percent in 1989, continuing the downward trend that began in the early 1960s.

In 1990, the distribution of union members by industry and occupation and by age, race, sex, and Hispanic origin was similar to 1989. There were 10.3 million union members in private industry and 6.5 million in government in 1990. In the private sector, the industry group with the most union members was manufacturing (4.2 million), followed by transportation and public utilities (1.9 million), services (1.4 million), wholesale and retail trade (1.3 million), and construction (1.1 million). Each of the other industries had fewer than 175,000 union members.

Union members constituted 37 percent of employment in government (federal, state, and local), compared with 12 percent in private industry. Among major private industry groups, transportation and public utilities had the highest union proportion, 32 percent.

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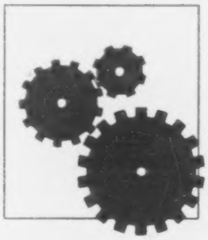
tant economic and national security issue in recent years because a number of available statistics show that the share of U.S. assets, employment, and production help by subsidiaries of foreign companies has grown dramatically since 1977. The project will link the BLS universe of establishments with employees covered by unemployment insurance (UI) laws and the BEA list of foreign-owned establishments with identification and characteristics information. The file of matched establishments will be used to develop tables of industry employment and occupational totals with ES-202 (UI) and OES data.

Meanwhile, BLS expects to improve the accuracy and timeliness of data collection in the Current Employment Statistics (CES) program through the use of automated telephone collection methods. BLS is expected to begin implementation methods, such as CATI and Touchtone Data Entry and Voice Recognition, in at least 20 states (not in Arizona) during FY 1991. Also in the CES program, BLS has started a project to collect and analyze employment and unemployment data relating to defense spending cuts. In addition, Local Area Unemployment Statistics (LAUS) data will be used to identify geographic areas affected by military base closings and defense procurement cutbacks.

Finally, 16 states (not Arizona) will be collecting wage/salary data with their OES survey of non-manufacturing industries in 1991. The standard OES survey will be modified to include spaces for reporting employment for each occupation in 11 distinct wage/salary ranges. The new data will allow for valid comparison of occupational wage data across states and industries, which will help organizations involved in planning and delivering services for the Job Training Partnership Act and Carl Perkins Vocational Educational Act.

NEW DEVELOPMENTS

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.



MANUFACTURING — **SGS Thomson Microelectronics**, a manufacturer of computer memory chips, is **moving its North American marketing operations from Phoenix** to Dallas. SGS, based in Paris and Milan, Italy, says it will give some of its 140 Phoenix employees the opportunity to move to Dallas or other regional sales offices. SGS built a 280,000-square-foot manufacturing facility at 10th Street and Bell Road in 1985, but never used it because of falling chip prices.

Tempe-based **ASM Lithography**, meanwhile, is in the chips, so to speak, after International Business Machines (IBM) agreed to a **multi-million dollar purchase of semiconductor equipment from ASM**. A world leader in in-line photolithography, ASM will begin delivering this spring a portion of a "multiple-system order" of PAS 5500 widefield, i-line wafer steppers, which cost about $2 million a piece. ASM, started in 1984 by two Netherlands companies, employs 600 people around the world.

Intel Corp. plans to build a **160,000-square-foot office and warehouse facility in Chandler**, its fifth in the East Valley city. Part of the two-story building, which will be operational by summer of 1992, will be used as a North American distribution center for Intel's semiconductor products, while the rest will house administrative and engineering employees. Eight hundred people, including 300 to 500 new workers, will use the facility. Intel currently employs 2,900 workers in Chandler and 350 in Deer Valley.

Special Devices Inc. has begun work on a **30,000-square-foot plant in Mesa** that will manufacture explosive devices used to inflate automobile air bags. Special Devices, based in Newhall, Calif., is one of several companies that are locating near TRW Inc.'s air-bag manufacturing facilities in Mesa. Special Devices is expected to employ about 150.

A Japanese manufacturer of semiconductor components, **NIMTEC Inc.**, is building a **35,000-square-foot plant in Chandler**. When NIMTEC opens the facility in September, 15 employees will be hired to work in the plant's machine shop and manufacturing and shipping areas. An additional 15 to 25 workers are expected to be hired later.

Garrett Engine Division, which designs and builds engines for business and commuter aircraft, will **lay off 170 workers in its engineering programs** by the end of March due to a slowdown in the airline industry. Garrett Engine, along with Garrett Auxiliary Power and Garrett Fluid Systems, is the third Garrett division to have cutbacks this year. All are subsidiaries of Allied-Signal Aerospace Co, which employs 4,500 people in Phoenix. Ironically, Garrett Airline Services Division, which repairs and overhauls engines, recently opened a new repair and maintenance facility near Phoenix Sky Harbor International Airport and is in the middle of expanding its work force (see *Arizona LMI Newsletter*, February 1991).

Chicago-based **Griffith Microscience Inc.** plans to build a **$5 million plant in Yuma** that will sterilize medical equipment. No details about employment at the plant, expected to open in November, are available.

Expansion at two plants of **Honeywell's Commercial Flight Systems Group** has led to the **hiring of 60 employees** this year and will probably lead to an **additional few hundred employees by year-end**. Most of the new workers will be engineers. The Commercial Flight Systems Group, which has about 5,800 employees in the Phoenix area, designs and produces aviation systems for a variety of commercial and private aircraft. Meanwhile, consolidation of Honeywell's Industrial Automotive and Control Division, headquartered in Phoenix, is expected to mean expansion of the Phoenix operations. Honeywell plans to create a field-instrument business center, which will manufacture transmitters for industrial automation systems, through expansion of its existing facilities in Phoenix or the construction of a new building. No information is available on how the move would affect the Honeywell division's employment in the Valley, currently around 1,500.

North Star Steel Co. of Minneapolis is **looking at three areas in Arizona** as possible sites for a "mini" steel mill. Last year, Birmingham Steel Co. said it would build a mini mill 50 miles west of Phoenix near the Palo Verde Nuclear Generating Station. Birmingham is halfway through a testing process to apply for a construction permit. Several officials say there is only enough scrap metal and electrical capacity for one steel mill in Arizona.

AiResearch is **laying off 125 employees**, 10 percent of its work force, at its Tucson division due to the cancellation of a military jet program and cutbacks in the commercial airline industry. AiResearch manufactured parts for the A-12 military attack plane, which was recently canceled, and makes cabin pressure control devices for commercial jets. The layoffs will affect positions across the board and will reduce the company's work force to about 1,200.

EF Data Inc. has started construction on a **38,000-square-foot building in Tempe**, 2105 W. Fifth Place, that will be used for administrative offices as well as manufacturing, research and development, and distribution operations. EF Data, which makes modems used for satellite communications, employs 175, but expects to see that number grow in a short period. EF Data is a subsidiary of California Microwave Inc.

CONSTRUCTION — At least **eight medical office buildings** are planned for the **Phoenix metropolitan area in 1991**. Sun Health Properties Inc. is expected to build sometime during the year the largest of the buildings, a three-story, 60,000-square-foot structure on the campus of Walter O. Boswell Hospital in Sun City, 103rd Avenue and Thunderbird Road. Across the street from Boswell, Jeremar Corp. of Scottsdale is planning an 8,000-square-foot office building, with construction scheduled to get under way in June. PMH Health Resources Inc., parent company of Phoenix Memorial Hospital (PMH), has two projects planned. Both are 25,000-square-foot structures and scheduled for construction in July; one, next to PMH, 7th Avenue and Buckeye Road, will be called 1001 Professional Office Building; the other will be on PMH Health Resources' planned medical campus in Goodyear. Another project on the books is a 38,000-square-foot medical building near the Jesse Owens Memorial Medical Center (3rd Street and Baseline Road), to be built by Memorial Family Health Center beginning in June. Unified Professional Services Inc. of Phoenix and Des Moines, Iowa-based Weitz Construction Co. were scheduled to begin work in March on a 32,000-square-foot building on the campus of Arrowhead Community Hospital and Medical Center, 67th Avenue and Union Hills Drive. Finally, two projects planned in the East Valley include a 30,000-square-foot medical structure on the campus of Scottsdale Memorial Hospital-North, near 92nd Street and Shea Boulevard, and a 10,500-square-foot building in Chandler at Evergreen Street and Chandler Boulevard. Construction on the former was set to begin in March, while no timetable has been set for the Chandler project.

Phoenix-based **Gosnell Builders is planning its first major single-family housing development** in the Phoenix area. Work is expected to begin by the middle of this year on the **Pointe Mountainside Golf Community**, which will include 506 single-family homes near The Pointe at Tapatio Cliffs, 7th Street and Thunderbird Road. In related news, Gosnell says it is not planning to move its corporate headquarters out of Phoenix in the foreseeable future. Gosnell, which is working on several projects in California and other western states, is one of the largest private employers in Phoenix with 4,000 workers.

Continental Homes and **UDC Homes** were the **leading new-home sellers in the Valley** in 1990 with sales of 1,238 and 1,203 houses, respectively. Other top home sellers included: Del Webb, 568; Pulte Homes, 519; Blandford Homes, 424; Lennar Homes, 352; Emerald Homes, 344; General Homes, 317; Watt Hancock Homes, 310; and Ryland Homes, 280.

A slowdown in the economy and financing problems have at least **temporarily halted two construction projects in Laughlin,** Nev., the booming gambling community across the Colorado River from Bullhead City. **The Golden Nugget Corp.** has put on hold plans for a 300-room expansion of its Laughlin hotel, citing a weakened economy and the recent increase in rooms in the Nevada town. Meanwhile, **Orion Land Development Co.** may lose its valuable water and sewer permits for the **unfinished Emerald River resort** unless it is able to find new financing for the project. Construction was stopped in September on the $1 billion, 1,100-room hotel-casino and shopping complex when the developer ran out of money. Orion filed for bankruptcy protection in January.

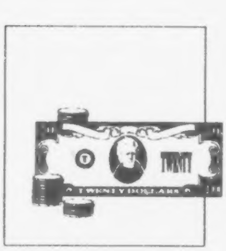
TRADE — Fallout from the Valley's grocery store wars is becoming visible. **ABCO Markets Inc.**, which operates 53 stores in the Phoenix metropolitan area and 77 statewide, received a **$27 million infusion of credit** in early February from food wholesaler Fleming Cos. of Oklahoma City, averting a possible default on ABCO's $62 million in subordinated debt. ABCO, which became highly leveraged when it took over 38 Lucky stores in 1988, has lost money the past five years. Fleming Cos. is also reported to be involved in the **acquisition of Smitty's Super Value Inc.** — which operates more than **30 Smitty's** food stores in the Valley — by Mesa-based **Mega Foods. Inc.**

One of the recent supermarket newcomers to the Valley, **Albertson's**, continues its expansion ways. After opening three locations in January (see *Arizona LMI Newsletter*, February 1991) the Boise, Idaho-based chain announced it would build a **63,000-square-foot store** at 19th and Northern avenues as part of a 119,000-square foot retail center. Albertson's, which employs about 1,000 workers at its eight Valley stores, is also building new locations in Scottsdale (Thomas and Scottsdale roads) and Chandler (Alma School and Ray roads).

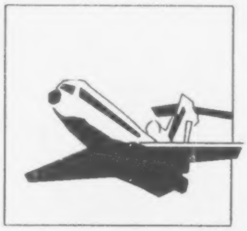
SERVICES — **Consolidation of operations by CIGNA Employee Benefits Cos.** is expected to bring an **additional 160 jobs** to the health-care provider's Western-region operation in Phoenix. CIGNA is transferring underwriting and administrative positions to Phoenix from offices in Hartford, Conn.; Elgin, Ill.; and Anaheim, Calif. CIGNA, which currently employs 25 at its Western Headquarters' offices at 5353 N. 16th Street, is expected to move into expanded quarters at Anchor Center I, 22nd Street and Camelback Road.

Anyone looking for work in the restaurant industry shouldn't have trouble finding employment in the metro Phoenix in 1991. **Low-to mid-priced eateries** featuring about every type of available fare are expected to **open between 75 and 100 locations this year**. Among national or regional chains planning locations are: Applebee's, Big Boy, Big 4, Black-Eyed Pea, California Pizza Kitchen, Chili's, Country Kitchen, Denny's, Hooters, JB's, Johnny Rockets, Macayo Mexican Restaurants, Olive Garden, Pail-O-Pasta, Perkins Family Restaurants, Peter Piper Pizza, Red Lobster, Red Robin, Sam's Cafe, and Sbarro (For more information, see Section F of the January 20, 1991, issue of *The Arizona Republic*.)

The Valley is expected to have **two "mega-resorts"** — 1,000 or more rooms — in the near future, putting the Phoenix area on par with other major convention cities. Gosnell Builders of Phoenix is expected to add 360 suites to its **Pointe at South Mountain** resort (bringing its room total to 1,000) and expand its meeting space from 85,000 to 185,000 square feet. Meanwhile, Herberger Enterprises Inc. of Scottsdale and Woodbine Development Corp. of Dallas are seeking zoning approval for a **1,050-room Desert Springs resort**, which would be located west of Scottsdale Municipal Airport.

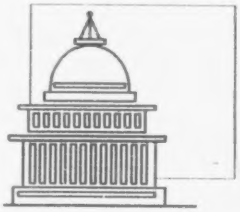


FINANCE, INSURANCE AND REAL ESTATE — **Bank of America Arizona**, a subsidiary of BankAmerica Corp. of San Francisco, **purchased Pima Savings and Loan of Tucson** in mid-February from the Resolution Trust Corp (RTC). Pima, with 40 branches and $6.4 billion in deposits, is the fourth savings institution Bank of America Arizona has purchased from the RTC, the federal organization charged with liquidating failed thrifts. Last year, Bank of America Arizona acquired Western Savings, MeraBank, and Sun State Savings. Meanwhile, Bank of America Arizona has returned to the Resolution Trust Corp. 16 of 127 bank branches it acquired from its takeover of Western Savings and MeraBank. About two-thirds of 1,100 employees at those institutions, including all 550 branch workers, will be kept on as Bank of America employees.



TRANSPORTATION, COMMUNICATIONS, and PUBLIC UTILITIES — While other carriers have been pulling in their flaps of late, **Southwest Airlines** announced in early February expansion plans that will primarily affect the Phoenix area. The Dallas-based carrier plans to **add 200 reservation agents** this year to its Phoenix center that currently employs 350; add 300 flight attendants nationwide, of which 100 will be based in Phoenix; and open in February an expanded reservation center and marketing office near 24th and Jones streets. Previously, Southwest had opened in Phoenix a personnel office (its only one outside of Texas) and a regional training center.

About **40 percent (112 employees)** of those eligible accepted an offer for **early retirement from Salt River Project (SRP)**, the state's second-largest utility says. As a cost-cutting move, SRP announced late last year it wanted to cut 414 jobs through early retirement, layoffs, and not filling vacant positions. SRP, which has about 5,300 workers, is expected to eliminate an additional 150 jobs, probably through layoffs.



GOVERNMENT — The **state's three Air Force bases** are expected to **lose at least 575 jobs** due to Defense Department cuts proposed by President Bush for Federal Fiscal Year 1992, which begins in October. Davis-Monthan Air Force Base in Tucson, which employs about 7,500 military and civilian workers, would feel the cuts the most — losing 200 military and 87 civilian jobs — partly because of the phasing out of OV-10A reconnaissance aircraft that are stationed there. Luke Air Force Base in Glendale is expected to lose 139 military and 69 civilian employees, and Williams Air Force Base in Chandler probably will lose 30 military and 50 civilian jobs.

Because of a sizable bilingual labor pool, **Tucson** has been selected by the **U.S. Census Bureau** as the site for a **computer-assisted, telephone-interviewing center**. Up to 300 jobs (many part-time) are expected to be created by the facility, which will conduct a number of the Bureau's national surveys. Hiring, which will come almost exclusively from the local area, will begin next January. Pay will range from $6.50 an hour for beginning interviewers to $17 an hour for managers.

MISCELLANEOUS — **Economic-development officials** say **three pieces of legislation** they are proposing to the state Legislature will enhance Arizona's business climate and help efforts to bring high-quality companies to the state. One bill being proposed by the Arizona Economic Council would create a specialized job-training program for new and expanding companies, and provide for its funding. Arizona is one of a handful of state's without this type of training program, which could be tailored to a company's needs to ensure a quality labor pool. Another bill, sponsored by the Phoenix Chamber of Commerce, calls for a more stable form of funding for the Commerce and Economic Development Commission, formed by the Legislature in 1989. The commission is currently funded through two lottery scratch games, which have produced $3 million, about half of revenue expected. And a third piece of legislation would create a capital company that would provide another source of capital for new businesses. Persons putting money in a capital company would be given tax credits on their investments.

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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XV No. 4
April 1991

Unemployment Rate

Seasonally Adjusted
February*

ARIZONA – 5.4%
Maricopa Co. – 4.6
Pima Co. – 3.8
United States – 6.5

Consumer Price Index

U.S. – February 1991
Base = 1982-84

Wage Earner/Clerical Worker – 132.8
% Chg. Year Ago – 5.1

All Urban – 134.8
% Chg. Year Ago – 5.3

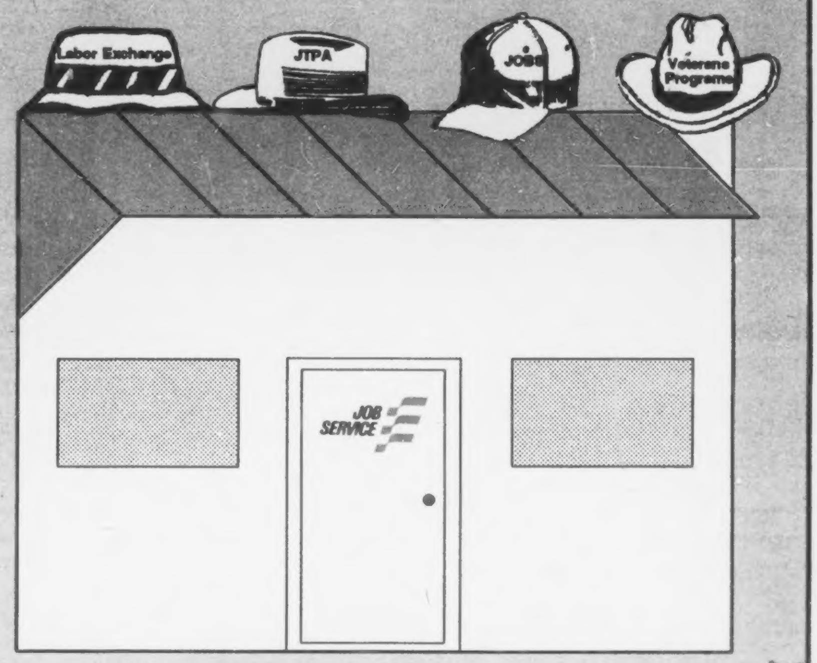
Phoenix – 4th Qtr 1990
Base = 1982-84

All Urban – 135.3
% Chg. Year Ago – 5.9

Tucson – 4th Qtr 1990
Base = 1982-84

All Urban – 133.8
% Chg. Year Ago – 3.9

* Preliminary



Too Many Hats

Program Additions, Changes Have Blurred Mission of Nation's Employment Service

Inside This Issue — **Page**

Shifting Gears is Way of Life for Job Service 2
Image of Program Suffers Due to Policy Changes 3
The Arizona Labor Force in February 7
Arizona Labor Force Statistics 8
News in Brief 13
New Developments 14

DES Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Shifting Gears is Way of Life for Job Service

The following articles are the second half of a two-part series on the changing role of Arizona's Job Service. An article on the Arizona Professional Employment Network appeared in the November 1990 issue of the Arizona LMI Newsletter.

Today's Job Service is comprised of more than 1,700 employment offices located in 50 states and three protectorates. These offices charge no fee to the applicant or the employer and are federally funded through a portion of the unemployment insurance taxes (FUTA) paid directly to the federal government by business owners.

Although the Job Service has a long history of evolving to meet the changing workforce needs of the country, the gradual changes of the past pale in comparison to the accelerating changes that lie ahead. But before discussing the Job Service of today and tomorrow, it may be helpful to take a look back at a few of the national employment and training developments that have shaped the 57-year history of this program.

In 1931, during the Great Depression, the federal unemployment rate in the United States reached 14 percent and remained there for several years (it would eventually climb to around 35 percent). Congress responded by enacting the Wagner-Peyser legislation of 1933, which created a national system of offices that functioned as a labor exchange, matching qualified workers with available jobs. This network of employment offices came to be known as the Job Service.

The initial challenge to Job Service during these early years was the shortage of jobs in relation to the number of people needing work. With U.S. involvement in World War II, jobs became plentiful and federal interest in programs for the unemployed diminished.

The next major event in the evolution of the Job Service took place in 1962 with the passage of the Manpower Development and Training Act (MDTA), which linked the Job Service to an array of training programs. These training programs focused on retraining adult workers displaced by technological and other economic changes. Therefore, the basic labor exchange function of the Job Service was de-emphasized during this period in favor of human resources development.

Shortly after MDTA, the Civil Rights Act of 1964 was passed by the Congress and promised assistance to those most in need of finding and retaining jobs. This called for the Job Service to begin focusing on the more pervasive problems of discrimination and poverty and their effects on employment. Also passed in 1964 was the Economic Opportunity Act, which created programs such as the Job Corps, the Neighborhood Youth Corps, and the Work Experience and Training Program. The laws passed during the early 1960s resulted in the creation of a wide spectrum of programs by the latter part of that decade and a problem gradually began to emerge — the duplication and non-coordination of services.

The debate over the duplication of services led to the next phase in the Job Service operating environment. In 1973, Congress enacted the Comprehensive Employment and Training Act (CETA). The CETA program was charged with coordinating and consolidating the nation's employment and training programs with a goal of eliminating the duplication of services. The CETA legislation effectively removed the Job Service from line responsibility for training programs, allowing it to return to its traditional role of a labor exchange. CETA would do the client training and Job Service would handle the job placement.

The next major benchmark in the national employment and training arena took place in 1982 with the passage of the Job Training Partnership Act (JTPA). This legislation, which is still in effect, continued the efforts started by CETA to streamline services and eliminate duplications. It also focused on balancing the authority between the public and private sectors in the design and implementation of employment and training programs.

Key Legislation Affecting Job Service

- Wagner-Peyser Act
- Manpower Development and Training Act
- Economic Opportunity Act
- Civil Rights Act of 1964
- Comprehensive Employment and Training Act
- Job Training Partnership Act

Another unique aspect of the JTPA legislation is the degree to which it allows the local public and private sector partners to decide how federal funds will be administered and programs managed at the local level. The legislation limits the authority of the U.S. Department of Labor to influence local programs, indicative of a major shift to the state level of functions previously performed at the federal level.

Increasing Complexity, Fewer Dollars

Over the years, with the passage of each piece of legislation has come an increased complexity to Job Service's role. For example, what started out as a basic labor exchange in the 1930s has transformed into a program responsible for areas such as: testing, counseling, training, disseminating labor market information, vocational evaluation, veterans services, apprenticeship, alien labor certification, food stamps, tax incentives, bonding,

Program's Image Suffers Due to Cuts, Policy Changes

When the general public thinks about Job Service, probably one of the first thoughts that comes to mind is a place to sign up for unemployment insurance benefits. While that is an appropriate thought — since Job Service offices in most states are co-located with the unemployment insurance claims section — it points out an "image problem," if you will, for a national program that recently has come under increasing scrutiny by public and private officials.

For starters, Job Service's original purpose and still its primary function was to act as a no-fee labor exchange between employer and employee. Over the last three decades, however, the Job Service has been given the responsibility of overseeing a wide range of employment and training programs and services (see "Shifting Gears ... ," p. 2), which has helped blur its primary mission.

Then in the early 1980s the Reagan Administration dramatically cut funding to Job Service — forcing the layoff of staff and closing of offices — prior to the largest workforce expansion in U.S. history. In Arizona, for example, because of the cuts staffing levels today are where they were in 1960, even though the state's labor force has more than quadrupled.

Also in the early '80s, the White House began implementing its philosophy of a "New Federalism," transferring the operational and oversight authority of many federal programs to states and local communities. One of the pivotal pieces of legislation effecting this change was the Job Training Partnership Act (JTPA), which demanded "a bigger role for local governments and private enterprise in determining and delivering employment and training services."[1]

But with JTPA came less federal input and control of funding. Whereas prior to JPTA states were required to meet certain performance criteria to maintain full funding, the new legislation dictated funding based solely on the relative size of a states labor force and unemployment rate.[2] The net effect on Job Service, according to recent Congressional testimony, has been a decline in overall service, widely fluctuating performance rates, poor operating and management practices, and few incentives to improve effectiveness.[3]

Adding all these factors together, it's not surprising Job Service is suffering from a case of "chronic image syndrome." And recently there has been an ongoing national discussion about the future role of Job Service, with suggestions ranging from a return to the old diet (focusing on labor exchange) to a complete facelift to forced retirement.

Some say the Job Service's job placement function should be diminished, focusing mainly on hard-to-serve clients, or people with barriers to employment (e.g., poor, handicapped). Cited is the declining number of placements through Job Service (7 percent of placements nationally today, compared to about 20 percent in 1962).[4] And while nearly all employers pay federal unemployment insurance tax (FUTA) to support Job Service, only one-quarter today list jobs with it, compared to 42 percent in 1957.[5]

Others contend that the nation's 1,700 Employment Service offices are being underutilized and have been allowed to

(Continued on page 5)

handicapped services, farm labor programs, refugee assistance, housing inspections, management information systems, and economic development.

Paralleling this, another trend was developing which created a major obstacle to the success of these employment and training programs. In 1966, the national Job Service was frozen at 30,000 positions. Due to deep federal budget cuts in 1982, this figure was reduced to its current level of about 22,000 positions. Both the labor force and the number of employers have increased dramatically during this time period. The result has been the inability of Job Service to keep pace with the demand for services. For example, in 1960 Arizona had a Job Service staff of 240 people who were responsible for serving a labor force of 430,000. Today's labor force in Arizona numbers 1.7 million and the Job Service staffing level remains at 240.

In the absence of additional funding, this growing imbalance between the demands placed on the Job Service system and the expectations that these demands be met with static or diminishing resources dictates that the Job Service will eventually have to relinquish some of its activities. It will have to concentrate its services in those areas that best serve the needs of the nation, the affected state, and the local community.

A national debate is currently taking place among human service professionals on the subject of Job Service restructuring (see "Program's Image Suffers ... ," this page), and the dominant question is: What should be the role of the Job Service as we approach the new century? The most logical answer to this question will come only through an understanding of the current operating environment of the Job Service.

A major issue affecting the Job Service operating environment today involves technological, demographic, and other workforce changes. Labor and skills shortages, for example, prompted John Hurley, Chase Manhattan Bank vice president, to say, "We have a workforce crisis in this country, because more than four out of 10 of the workers who are on the job today are not being trained to do the work that today's economy demands."

Other environmental factors are: technological advances which are outpacing the ability of the workforce to comprehend them, continuing shifts away from manufacturing to service jobs, movement away from an industrial age to an information age, and increasing international competition. These events could easily combine to move the country toward a weakened position as it approaches the 21st century.

The U.S. Department of Labor recently concluded that " ... these discernable trends are staggering in proportion and magnitude, leading to compelling conclusions about the transformation from the use of the term 'labor,' an industrial-era factor of production, to its replacement, 'human resource,' the strategic resource of the new era." In other words, as information and knowledge displace specialized mechanization and other technocratic ideals as the most valued national resource in the advanced economies, there is an emerging inclination to view human resources as the ultimate strategic force. This realization should substantially increase the visibility and importance of programs aimed at enhancing human potential.

Such a change in the way the term "labor" is perceived must be accompanied by a shift in the way the term "labor exchange" is viewed. The National Governor's Association recently commented that the traditional Job Service was designed to meet the needs of Depression-era America, when the nation had a large supply of unemployed, unskilled, and skilled workers. The system must now adapt to meet the demands of the 1990s and beyond — to meet the challenges presented by labor and skills shortages, and turbulent economic, demographic, and political conditions.

> *"Those states that do not position their Job Service programs within a human service agency find themselves having to reinvent the Job Service in order to find employment for their AFDC, food stamp, and other public assistance programs."*
>
> *—Manuel F. Mejia,*
> *Assistant Director, DES*
> *Division of Employment*
> *and Rehabilitation Services*

Job Service Redirects Focus

The Arizona Job Service is determined to contribute its share toward meeting this challenge. For example, a policy known as Job Service Redirect has resulted in resources being targeted toward those individuals who need to upgrade their skills in order to become productive members of the workforce. The Redirect policy grew out of a recognition during the mid-1980s of the demographic and technological changes that were moving the country toward a labor and skills shortage.

Also, the Arizona Job Service is heavily involved in administering programs under the new welfare reform legislation, known as the federal Family Support Act of 1988. One of these, the Job Opportunities and Basic Skills (JOBS) program (see *Arizona LMI Newsletter*, Janaury 1991), which seeks to put welfare recipients back into the workforce, involves a major departure from the traditional labor exchange function associated with Job Service. For instance, Job Service is responsible for the JOBS program's case management, which includes: developing written employability plans, referring individuals for social services and training, providing emotional support, serving as a client advocate, and tracking and verifying participation.

Many states are discovering the value of having the Job Service program as part of a larger human service agency, as is the case in Arizona. "Those states that do not position their Job Service programs within a human service agency find themselves having to reinvent the Job Service in order to find employment for their AFDC (Aid to Families with Dependent Children), food stamp, and other public assistance programs," says Manuel F. Mejia, Assistant Director, DES Division of Employment and Rehabilitation Services.

All of the hard-to-place clients do not necessarily need to upgrade their work skills, however. Some may need assistance in developing their job search skills, or in completely changing their career paths. The Wall Street Journal reported on November 27, 1990, that " ... white collar workers, including managers, are turning up at state employment offices in growing numbers in the search for assistance and elusive jobs."

Related to this development, 27 states have initiated some type of professional-level placement component to their Job Service programs, and in this state a group called the Arizona Professional Employment Network (AZPEN) began operating about 18 months ago (see *Arizona LMI Newsletter*, November 1990). The typical AZPEN client is receiving unemployment benefits and is experiencing barriers to re-employment, due not to skill deficiencies but to reasons such as age discrimination, over-qualification, and a salary history that is too high.

Complicating this situation is an operations issue unique to Arizona. A state law passed in mid-1980s prohibiting competition by government with the private sector

(Continued on page 12)

(Continued from page 3)

flounder the past decade with reduced funding and less federal governmental control. "The Department of Labor seems to be throwing in the towel on employment services — funds have not kept up with the demand for services," says an aide to Rep. Matthew Martinez (D-Calif.), who recently held hearings on Job Service's effectiveness.

During the next few years, it's expected that some changes that will redefine the role of Job Service will be implemented. But a variety of factors — political, economic, and social — along with priorities of a new Secretary of Labor, Lynn Martin — are expected to influence the final outcome.

Public Input Sought On JS Role

Prior to leaving office last October, former Labor Secretary Elizabeth Dole announced a Workforce Quality Agenda — "to assure that the American workforce has the skills to meet the challenges of the 1990s and beyond" — which included an initiative to reform the Job Service.[6] As part of the initiative, the Labor Department (DOL) last September requested written comment from interested parties on how best to utilize the Job Service. In a Federal Register notice, DOL offered six possible scenarios for the future focus of the Job — including its current function as an open labor exchange — many of which would dramatically change its role.[7]

Table 1. **Overall Response to Questions in Federal Register Notice Concerning Future Role of Job Service**

	Yes	No	DK*
1. Should Job Service (JS) be a comprehensive labor market exchange soliciting job listings across a wide range of skills and wage levels?	80.8%	12.2%	7.0%
2. Would it be more efficient for JS to focus its services on unemployment insurance claimants, making their return to work its primary goal — thus reducing employer payroll taxes?	15.1%	74.8%	10.1%
3. Should JS continue to direct its services on disadvantaged individuals whose labor force participation is marginal or impaired by barriers to employment?	14.6%	74.2%	11.2%
4. Should JS drop its placement activity altogether and act as a diagnostic and referral agent to programs offering job training, remediation, and other services?	3.9%	78.2%	17.8%
5. Should JS make development and dissemination of labor market information its primary role and, as part of that activity, make job listings and applicant files directly available to job seekers and employers?	4.4%	76.0%	19.6%
6. Should JS charge employers for special screening and services above the basic access to the applicant pool?	4.3%	76.0%	19.6%

* DK = Don't Know

Source: U.S. Department of Labor, Employment and Training Administration, January 1991

DOL received about 1,900 responses from a cross-section of individuals and special interest groups involved with the labor market — employers, employees, state Job Service Committees (JSECs), and private employment agencies. Although respondents had a wide range of comments on the various proposals, a recent DOL report says overall opinion strongly supported (between 3-to-1 and 5-to-1, depending on the proposal) maintaining the status quo — keeping Job Service as a comprehensive labor exchange (Table 1).[8]

Because a majority of responses (56 percent) came from employers and employer groups who use Job Service, the direction of the comments "is not surprising," the report says. But across the board — from Fortune 500 companies to private citizens — support was strong for not changing Job Service's primary objective since the days of the New Deal.[9]

As a group, only private employment agencies (12 percent of responses) were against maintaining the status quo, the report says, with about 87 percent in favor of limiting Job Service's role to servicing unemployed and disadvantaged job seekers. Comments from private employment agencies ranged from making Job Service applicant rather than employer focused (to cut down on use of it for mass recruitment) to limiting the kinds of jobs listed by Job Service "so as not to compete with unsubsidized private ventures."[10]

How much influence the survey will have on the future role of the Job Service is still an unknown, says Christine Chudd, Arizona's federal representative from Region IX of DOL's Employment and Training Administration (ETA), which oversees Job Service. "I don't know if I can tell you where it's going at this point — from administrative cleanup of Job Service rules and regulations, all the way to new legislation," Chudd says.

But at a Job Service policy retreat in December, three possible options for Job Service were discussed by ETA regional administrators. One option would be applicant focused, providing "a base level of services to all employers and job seekers ... and enhanced services to a priority population."[11] The main focus of this option would be to target disadvantaged individuals, primarily in urban areas, who "without some public help will not be able to secure a job."[12]

A second option discussed would be employer focused, providing services such as job restructuring, counseling, and an interstate job bank, and making Job Service "the implementation arm for work-based learning initiatives ... (and) the repository of quality workplace and workforce information."[13] The third option — and the least likely of three, says Chudd and others — would merge Job Service with JTPA and other services. This plan would require throwing out the current Wagner-Peyser (which created Job Service) and JTPA laws.

Of the three options discussed, the most likely to be adopted is the first one, says Rick Marcum, who oversees the state's Job Service operations as manager of Programs and Methods for the Department of Economic Security's Employment and Training Administration. Under a policy started a few years ago, called Arizona Redirect (see "Shifting Gears ... ," p. 2), Marcum says the state saw what was coming and began targeting disadvantaged workers.

But because Job Service has recently taken on additional responsibilities and funding has remained flat the last several years, this policy change has come with some cost in terms of placement rates (Table 2) — at least on the front end. "We're using a lot of staff resources on the hard to place, those clients are time consuming," Marcum says. However, on the back end, he says it should save the state money because individuals who would be the biggest burden to Arizona for essential services (welfare, health care) will have a better chance of becoming self-sufficient.

Table 2. Arizona, Region IX, and U.S. Job Service Applicants, Referrals, Placements, and Placement Rates for Planning Years 1987-89

Planning Year 1987 (July 1, 1987–June 30, 1988)

	Applicants	Referrals	Placements*	Pct. Placed**
Arizona	297,894	119,252	38,102	12.8%
Region IX	1,614,384	750,075	346,026	21.4
U.S.	18,438,978	7,056,421	3,229,538	17.5

Planning Year 1988 (July 1, 1988–June 30, 1989)

	Applicants	Referrals	Placements*	Pct. Placed**
Arizona	302,335	125,358	37,224	12.3%
Region IX	1,622,732	777,790	341,961	21.1
U.S.	18,085,692	7,446,322	3,224,961	17.8

Planning Year 1989 (July 1, 1989–June 30, 1990)

	Applicants	Referrals	Placements*	Pct. Placed**
Arizona	330,435	137,501	41,543	12.6%
Region IX	1,598,763	744,919	321,829	20.1
U.S.	18,414,985	7,679,948	3,123,579	17.0

* Individuals Placed

** Percent Placed = Applicants/Placements

Source: U.S. Department of Labor, Employment and Training Administration

Meanwhile, as forces within DOL debate how to restructure Job Service, others, such as Rep. Martinez, are attempting to reverse the agency's devolution of power by broadening its role at the federal level with increased funding and government oversight power.

Last October, at a House Subcommittee on Employment Opportunities, Martinez heard testimony from a General Accounting Office (GAO) official who says Job Service performance varies widely across states and local offices due to lack of federal oversight and state and local practices.[14] The GAO, an investigative arm of Congress, is preparing a report on Job Service performance that will parallel the testimony before the House, says the GAO official who testified, Franklin Frazier.

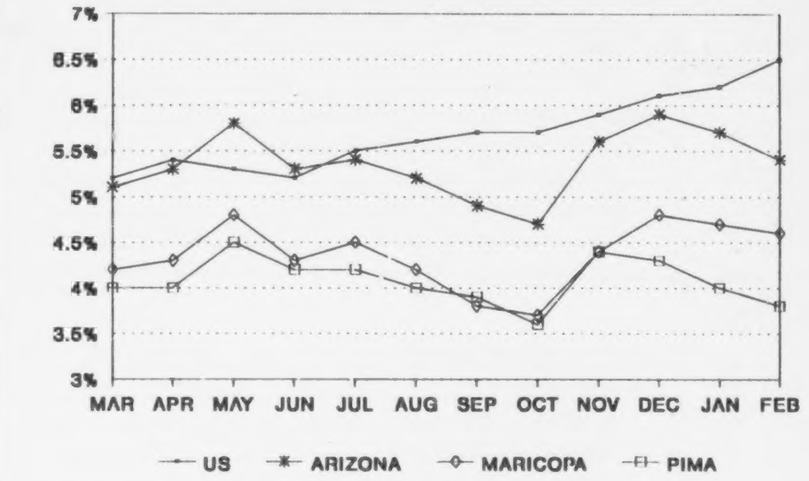
GAO research found that some local Job Service offices placed more than one-third of their job seekers while other offices found jobs for less than 10 percent of the job seekers, Frazier testified. Stronger performers "tended to be concentrated in states that adopted program-management strategies that set measurable performance goals and provided performance incentives and included frequent on-site monitoring to evaluate local office performance," Frazier said.[15]

In addition, Frazier said, the GAO found that local offices that had increased attentiveness to employer and applicant needs, extensive interaction with the JTPA title II-A program,[16] and were separated from unemployment insurance offices had better placement rates. Concerning the last suggestion, Frazier said " ... people often think of Job Service as an 'unemployment'

(Continued on page 15)

The Arizona Labor Force in February

Figure 1. **U.S., Arizona, and Maricopa and Pima Counties Unemployment Rates, March 1990-February 1991**



Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration

Arizona's seasonally adjusted unemployment rate stood at 5.4 percent in February, a moderate drop from January's rate of 5.7 percent.

Fourteen of Arizona's 15 counties experienced lower seasonally adjusted unemployment rates in February. Cochise County was the only county to see its rate rise, up one-tenth of a percentage point to 7.5 percent. Yuma County continued to have the highest unemployment rate in the state at 19.1 percent.

The metropolitan counties still enjoyed the lowest unemployment rates in the state with Pima County at 3.8 percent, followed by Maricopa County at 4.6 percent. The lowest rate among the non-metropolitan counties was in Yavapai County with a rate of 4.8 percent.

Non-farm payroll employment in Arizona was up 14,600 in February to 1,521,500, 3.0 percent above February 1990 levels. Nationally, non-farm payroll employment was down 0.3 percent from February 1990.

Looking at the state's industry breakdown for February, manufacturing, construction, and TCPU (transportation, communications, and public utilities) had employment declines while all other major industry groups had increases. Government and services led the way, gaining 11,300 and 4,800 jobs, respectively.

TCPU employment was down 200 in February with the transportation sector accounting for the decline, losing 500 positions. The communications and public utilities sectors partially offset the drop, gaining 300. Maricopa, Mohave, Navajo, and Pinal counties were responsible for all of TCPU's employment losses last month.

Manufacturing employment declined by 300 in February with the bulk of the losses coming in Pima (300) and Cochise (125) counties. Maricopa and Mohave were the only counties to experience manufacturing employment gains for the month, adding 300 and 25 jobs, respectively. On a subindustry basis, durable goods employment was down 600; non-durable goods employment was up 300.

Maricopa Pulls Construction Down

Construction employment, which normally shows little movement in February, was down 2,000. Maricopa County was responsible for the sharp drop with an over-the-month loss of 2,100. Maricopa County construction employment, at 49,900, was 6.9 percent below February 1990 levels. On the other hand, Pima County's construction has shown some strength, rising 2.1 percent over the same period.

Trade gained 600 jobs in February, an average increase for February. The employment gain was evenly split between wholesale and retail trade. Wholesale trade has grown 4.0 percent since February 1990 while retail trade has grown slightly faster at 4.3 percent.

FIRE employment increased 300 for the month, or 200 below the average gain for February. Most of the employment gains occurred in Maricopa County with Pima County holding steady. The non-metropolitan counties were unchanged for the month.

Services employment increased 4,800 in February, just below average seasonal levels with hotels and other lodging places rising 400, business services gaining 700, and health services increasing 900. The big winner in services was miscellaneous services, which increased 2,800.

And the seasonal return of school workers from winter break accounted for all but 100 of an 11,300 increase in government employment. The gain for government was average for February.

Overall, Arizona wage and salary employment in February showed seasonal changes in all but manufacturing and construction, which declined. Manufacturing losses were due mainly to a drop in durable goods employment, and construction was hurt by a large decline in Maricopa County.

—Dennis Doby
RA Economist

Arizona Labor Force and Employment

February 1991 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				Amount Change					Amount Change					Amount Change	
	Feb.* 1991	Jan. 1991	Feb. 1990	Jan. - Feb.	1990 - 1991	Feb. 1991	Jan. 1991	Feb. 1990	Jan. - Feb.	1990 - 1991	Feb.* 1991	Jan. 1991	Feb. 1990	Jan. - Feb.	1990 - 1991
TOTAL CIVILIAN LABOR FORCE**	1700.4	1728.6	1693.0	-28.2	+7.4	1057.8	1077.7	1053.4	-19.9	+4.4	310.6	314.9	307.9	-4.3	+2.7
Total Unemployment	87.8	91.1	82.2	-3.3	+5.6	46.6	48.2	41.7	-1.6	+4.9	11.4	12.1	12.0	-0.7	-0.6
Unemployment Rate	5.2%	5.3%	4.9%	—	—	4.4%	4.5%	4.0%	—	—	3.7%	3.8%	3.9%	—	—
Unemployment Rate (Sea. Adj.)***	5.4%	5.7%	5.0%	—	—	4.6%	4.7%	4.0%	—	—	3.8%	4.0%	3.9%	—	—
Total Employment	1612.6	1637.5	1610.8	-24.9	+1.8	1011.2	1029.5	1011.7	-18.3	-0.5	299.2	302.8	295.9	-3.6	+3.3

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
	Feb.* 1991	Jan. 1991	Feb. 1990	Jan. - Feb.	1990 - 1991	Feb. 1991	Jan. 1991	Feb. 1990	Jan. - Feb.	1990 - 1991	Feb.* 1991	Jan. 1991	Feb. 1990	Jan. - Feb.	1990 - 1991
TOTAL WAGE AND SALARY	1521.5	1506.9	1476.8	+14.6	+44.7	1002.5	997.6	973.8	+4.9	+28.7	259.4	255.5	254.0	+3.9	+5.4
Manufacturing	182.8	183.1	185.7	-0.3	-2.9	136.5	136.2	138.7	+0.3	-2.2	25.9	26.2	26.8	-0.3	-0.9
Durable Goods	136.7	137.3	139.8	-0.6	-3.1	103.7	103.8	105.7	-0.1	-2.0	20.2	20.4	21.0	-0.2	-0.8
Stone, Clay, and Glass	6.4	6.4	7.0	0.0	-0.6	3.7	3.6	4.0	+0.1	-0.3					
Primary and Fabricated Metals	14.0	14.2	14.7	-0.2	-0.7	9.6	9.7	9.9	-0.1	-0.3					
Primary Metals	6.2	6.2	6.7	0.0	-0.5										
Fabricated Metals	7.8	8.0	8.0	-0.2	-0.2										
Machinery	58.5	58.5	59.5	0.0	-1.0	48.4	48.4	49.6	0.0	-1.2					
Aircraft and Missiles	26.9	27.1	26.6	-0.2	+0.3										
Lumber and Wood Products (Excluding Furniture)	6.2	6.4	7.0	-0.2	-0.8										
Nondurable Goods	46.1	45.8	45.9	+0.3	+0.2	32.8	32.4	33.0	+0.4	-0.2	5.7	5.8	5.8	-0.1	-0.1
Food and Kindred Products	10.4	10.5	9.8	-0.1	+0.6	7.3	7.3	6.9	0.0	+0.4					
Printing and Publishing	17.0	17.2	16.9	-0.2	+0.1	12.0	12.1	12.0	-0.1	0.0					
Mining and Quarrying	12.7	12.6	12.1	+0.1	+0.6	0.7	0.7	0.8	0.0	-0.1	2.2	2.2	2.1	0.0	+0.1
Copper Mining	10.1	10.0	9.6	+0.1	+0.5										
Construction	76.5	78.5	79.9	-2.0	-3.4	49.9	52.0	53.6	-2.1	-3.7	14.4	14.4	14.1	0.0	+0.3
Trans., Communications, & Public Utilities	81.8	82.0	80.9	-0.2	+0.9	58.3	59.0	57.6	-0.7	+0.7	9.4	9.4	9.5	0.0	-0.1
Transportation	46.5	47.0	44.9	-0.5	+1.6	35.2	35.6	33.8	-0.4	+1.4	4.9	4.9	4.9	0.0	0.0
Communications and Public Utilities	35.3	35.0	36.0	+0.3	-0.7	23.1	23.4	23.8	-0.3	-0.7	4.5	4.5	4.6	0.0	-0.1
Trade	380.5	379.9	365.1	+0.6	+15.4	255.9	255.8	243.9	+0.1	+12.0	61.4	61.1	60.3	+0.3	+1.1
Wholesale Trade	77.8	77.5	74.8	+0.3	+3.0	62.0	61.9	59.5	+0.1	+2.5	7.5	7.4	7.7	+0.1	-0.2
Retail Trade	302.7	302.4	290.3	+0.3	+12.4	193.9	193.9	184.4	0.0	+9.5	53.9	53.7	52.6	+0.2	+1.3
General Merchandise and Apparel	48.5	50.6	45.6	-2.1	+2.9	29.6	31.0	27.3	-1.4	+2.3	8.9	9.1	8.5	-0.2	+0.4
Food Stores	51.6	50.4	48.1	+1.2	+3.5	32.4	31.9	30.6	+0.5	+1.8	9.2	8.8	8.0	+0.4	+1.2
Automotive and Service Stations	34.2	34.3	34.3	-0.1	-0.1	21.3	21.2	21.2	+0.1	+0.1	5.5	5.5	5.7	0.0	-0.2
Eating and Drinking Places	108.6	106.7	104.2	+1.9	+4.4	70.9	69.7	66.8	+1.2	+4.1	19.5	19.2	19.6	+0.3	-0.1
Finance, Insurance, and Real Estate	95.3	95.0	93.3	+0.3	+2.0	76.1	75.8	74.3	+0.3	+1.8	11.6	11.6	11.6	0.0	0.0
Services and Miscellaneous	418.3	413.5	397.4	+4.8	+20.9	283.1	280.6	270.3	+2.5	+12.8	77.6	76.4	73.0	+1.2	+4.6
Hotels and Lodging Places	44.6	44.2	42.5	+0.4	+2.1	28.4	28.3	27.1	+0.1	+1.3	6.7	6.5	6.4	+0.2	+0.3
Business Services	79.7	79.0	76.4	+0.7	+3.3	63.4	63.2	62.1	+0.2	+1.3	11.6	11.2	9.9	+0.4	+1.7
Health Services	104.2	103.3	99.2	+0.9	+5.0	67.5	66.7	63.4	+0.8	+4.1	22.7	22.7	22.2	0.0	+0.5
Government	273.6	262.3	262.4	+11.3	+11.2	142.0	137.5	134.6	+4.5	+7.4	56.9	54.2	56.6	+2.7	+0.3
Federal	45.4	45.7	44.8	-0.3	+0.6										

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

Note: Presented by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Nonmetropolitan Counties
Labor Force and Employment
February 1991

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
CIVILIAN LABOR FORCE*	14,475	35,725	44,150	12,750	8,025	3,150	5,300
Total Unemployment	2,100	2,825	3,200	1,150	575	225	400
Rate	14.5%	7.9%	7.2%	9.0%	7.2%	7.1%	7.5%
Rate (Seas. Adj.)**	14.6%	7.5%	6.8%	8.1%	7.0%	7.2%	6.8%
Total Employment	12,375	32,900	40,950	11,600	7,450	2,925	4,900

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	14,900	26,675	41,975	11,450	5,425	3,200	4,075
Manufacturing	475	1,225	3,325	1,400	225	25	275
Mining & Quarrying	50	100	125	1,300	0	1,875	75
Construction	375	850	1,450	625	150	150	275
T.C.P.U.	1,800	1,650	2,875	475	150	50	125
Trade	1,450	5,450	9,875	2,375	1,600	300	1,375
F.I.R.E.	475	650	825	300	125	25	125
Services & Misc.	4,925	5,050	10,500	2,300	875	175	900
Government	5,350	11,700	13,000	2,675	2,300	600	925

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,125	28,100	37,775	11,600	40,625	52,200
Total Unemployment	2,750	3,200	2,925	1,200	2,225	6,925
Rate	7.2%	11.4%	7.7%	10.3%	5.5%	13.3%
Rate (Seas. Adj.)**	6.9%	11.0%	7.8%	11.3%	4.8%	19.1%
Total Employment	35,375	24,900	34,850	10,400	38,400	45,275

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	27,700	21,975	31,425	11,500	29,025	30,075
Manufacturing	2,475	2,050	3,450	1,000	2,325	2,200
Mining & Quarrying	50	1,175	3,925	25	975	50
Construction	2,775	750	725	300	2,300	1,400
T.C.P.U.	1,325	1,525	1,075	775	1,100	1,150
Trade	8,300	4,025	5,775	5,450	7,800	9,425
F.I.R.E.	1,425	450	800	275	1,025	1,075
Services & Misc.	6,725	5,475	5,200	1,825	7,200	6,450
Government	4,625	6,525	10,475	1,850	6,300	8,325

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Feb.* 1991	Jan.** 1991	Feb. 1990	Feb.* 1991	Jan.** 1991	Feb. 1990	Feb.* 1991	Jan.** 1991	Feb. 1990
Manufacturing	415.91	423.39	413.28	39.8	40.4	41.0	10.45	10.48	10.08
Aircraft & Missiles	641.00	657.39	637.46	45.3	46.1	45.5	14.15	14.26	14.01
Food & Kindred Prod.	356.46	355.68	332.09	39.0	38.0	39.3	9.14	9.36	8.45
Primary Metals	484.34	494.76	477.97	37.2	38.0	37.4	13.02	13.02	12.78
Machinery	383.73	401.39	375.94	38.8	39.9	38.4	9.89	10.06	9.79
Copper Mining	640.20	642.54	576.63	44.0	44.1	43.0	14.55	14.57	13.41
Construction	428.70	435.18	422.44	36.3	37.1	35.8	11.81	11.73	11.80
Utilities	739.58	772.47	726.77	43.2	44.6	44.1	17.12	17.32	16.48
Retail Trade**	253.18	250.04	257.21	30.8	31.1	32.6	8.22	8.04	7.89
Wholesale Trade	391.93	395.90	380.32	38.2	38.4	38.3	10.26	10.31	9.93

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Feb.* 1991	Jan.** 1991	Feb. 1990	Feb.* 1991	Jan.** 1991	Feb. 1990	Feb.* 1991	Jan.** 1991	Feb. 1990
Manufacturing	430.94	446.07	435.72	40.2	40.7	41.3	10.72	10.96	10.55
Construction	459.05	462.38	442.73	37.2	37.9	36.2	12.34	12.20	12.23
Retail Trade**	262.08	258.71	267.26	31.5	31.9	33.2	8.32	8.11	8.05
Wholesale Trade	421.83	427.48	395.68	37.9	38.1	37.9	11.13	11.22	10.44

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Feb.* 1991	Jan.** 1991	Feb. 1990	Feb.* 1991	Jan.** 1991	Feb. 1990	Feb.* 1991	Jan.** 1991	Feb. 1990
Manufacturing	385.00	385.54	346.39	38.5	38.4	36.5	10.00	10.04	9.49
Construction	375.52	379.48	367.84	33.8	35.3	34.8	11.11	10.75	10.57
Utilities	619.24	627.74	593.54	41.2	41.6	39.1	15.03	15.09	15.18

* Preliminary.
** Revised
*** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
February 1991

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,700,435	1,612,632	87,803	5.2%
Apache	14,475	12,373	2,102	14.5
Cochise	35,723	32,891	2,832	7.9
Coconino	44,139	40,943	3,196	7.2
Gila	12,740	11,591	1,149	9.0
Graham	8,023	7,450	573	7.1
Greenlee	3,172	2,936	236	7.4
La Paz	5,299	4,901	398	7.5
Maricopa	1,057,807	1,011,177	46,630	4.4
Mohave	38,120	35,363	2,757	7.2
Navajo	28,114	24,904	3,210	11.4
Pima	310,622	299,194	11,428	3.7
Pinal	37,779	34,849	2,930	7.8
Santa Cruz	11,609	10,397	1,212	10.4
Yavapai	40,618	38,393	2,225	5.5
Yuma	52,196	45,271	6,925	13.3

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Job Service

(Continued from page 4)

is often cited by some private employment agencies when they believe Job Service is infringing on their territory, particularly when it involves professional-level employment.

While the Arizona Job Service fully supports applicant-oriented programs such as JOBS, AZPEN, and others, it is also committed to meeting the immediate needs of the business community, whose unemployment taxes pay for the Job Service. The Job Service can meet these needs by targeting the job-ready clients on file, such as UI claimants, and working toward the long-range goal of developing an automated system.

An automated system, operating in various forms in a number of states, would allow direct employer and applicant access to the Job Service system. It would allow the job-ready applicant and employer to be effectively served with minimal use of Job Service resources and staff time and give more time to the hard-to-place applicant. In this manner, the Job Service will be able to maintain the delicate balance between addressing the long-term workforce needs of the state and the nation while meeting the immediate needs of local employers and job-ready applicants.

Also, in the near future there is a chance that federal legislation will be enacted to amend the Wagner-Peyser Act of 1933, resulting in a modification of the Job Service role. Whatever happens, the Arizona Job Service believes itself to be ready to adapt to any future demands placed on it.

Finally, the Job Service does not consider itself to be merely a gathering point for the unemployed — it is part of a unique human resource program. It is highly interdependent with a variety of other groups, such as community-based organizations, JTPA and other DES administered programs, and educational institutions. This coalition is seeking to alleviate the phenomenon of a growing underclass while moving the economy toward full employment. The underlying premise to this commitment is the firm belief that people are a valuable national resource and should be treated as such.

—Rick Marcum
Manager, Programs and Methods,
DES Employment and
Training Administration

Minimum Wage Increases to $4.25 an Hour; State Bill Seeks to Lower Sales Exemption

Following are summaries of news stories compiled from a variety of sources relating to labor issues affecting the nation and Arizona.

This month, employers need to be mindful of more than their impending tax bill as the second half of the minimum-wage increase, passed in November 1990, kicks into gear.

On April 1, the minimum wage automatically increases 45 cents to $4.25 an hour for about 4 million American workers, including an estimated 60,000 Arizonans. (Another 40,000 Arizonans who work full-time at minimum wage and others could be indirectly impacted by the increase.) In addition, a subminimum wage created as part of the amendment to the Fair Labor Standards Act will also rise, from $3.23 to $3.61 an hour.

The subminimum-wage provision allows employers to pay 16 to 19 year olds 85 percent of the prevailing minimum wage for the first three months on the job and for an additional three months if they are receiving formal training. In order to qualify for the second 3-month period, employers must certify to the U.S. Department of Labor (DOL) they are providing skills training.

Workers who receive tips, such as restaurant employees, also will be affected by the April 1 increase. These workers must now receive at least 50 percent of the minimum hourly wage ($2.12), compared to 55 percent of the previous minimum wage ($2.09).

Certain workers are not covered under the federal minimum-wage legislation, including some farm workers, casual baby sitters, newspaper delivery workers, amusement park employees, and live-in domestic help. In addition, businesses established since April 1, 1990, with gross sales under $500,000 are exempt from the federal legislation — unless they are engaged in interstate commerce — as are retail companies in existence before then with gross sales of less than $362,500 and non-retail businesses with gross sales of less than $250,000.

However, a bill currently before the Arizona Legislature that would create a state minimum wage law, would lower the gross sales exemption for Arizona businesses to $100,000. The proposed bill (SB 1064) would generally follow other provisions of the federal law including the $4.25 an hour minimum wage rate.

As of late March, SB 1064 had been approved on a 5-4 vote by the Senate Commerce and Labor Committee and was expected to be voted on by the full Senate sometime in April. But while the bill has a good chance of passage in the Democratic-controlled Senate, it's likely to face a tough fight in the Republican-controlled House of Representatives, says a Legislative staff member.

For more information on the federal minimum-wage law, contact DOL's Wage and Hour Division at (602) 640-2990.

Careerfest '91 Offers Smorgasbord of Job Information

On May 3, thousands of 6th, 7th, and 8th graders will flow through Phoenix Civic Plaza to soak up information on careers of the future. Students will come from more than 80 Arizona schools to view videos, hear speakers, and witness hands-on job skills demonstrations by high-achieving vocational students and their industry partners.

Careerfest '91 is a new experience for Arizona students. It's targeted to students of middle-school years rather than to graduating high school seniors, the focus of more traditional career fairs. Its purpose is to give younger students early exposure to a wide range of occupations and careers.

Broadened horizons, better preparation through high school, and more satisfying occupational choices are the intended result. After partaking in the Civic Plaza events, students will end their day at the new Arizona Center where a local restaurant will provide pizza and soft drinks for all participants.

Managing an event of this magnitude is no small feat. Making available this unique opportunity to Arizona students are: the Arizona Department of Education's Vocational Education Division; elementary, junior high, and middle schools; and volunteer business and industry participants. The Vocational Education Division's Dr. Tina Ammon is principle coordinator of the project and would like Careerfest '91 to be only the first of many such annual events.

While most of the participating schools are from Maricopa and Pima counties, some rural county schools will be represented. But due to space limitations a number of rural schools were placed on waiting lists for this year's event. Plans are in the works, however, to expand Careerfest to two days next year to accommodate more rural students.

ASOICC to Give In-Service LMI Training

The Arizona State Occupational Information Coordinating Committee (ASOICC) has scheduled an ICDM Workshop for May 30-31 in Tucson at the Inn At The Airport.

Not to be confused with one of the country's more powerful weapon systems, ICDM stands for Improved Career Decision Making. The ICDM workshop provides in-service training on labor market information (LMI) and is aimed at education and agency counselors and teachers who have counseling duties.

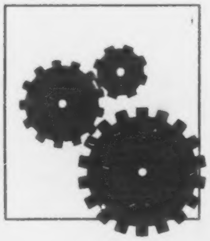
A registration fee of $25 per person covers: shared hotel accommodations for May 30, complimentary breakfast May 31, lunch May 30 and 31, and all workshop materials. For those not requiring lodging, the registration fee will be returned during the sign-in period May 30.

Instructional materials developed by the National Occupational Information Coordinating Committee (NOICC) in partnership with such organizations as the American Association of Counseling and Development (AACD) and the Interstate Conference of

(Continued on page 15)

Second Auto Electronics Plant Planned for Navajo Reservation, Opening in Late '91

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

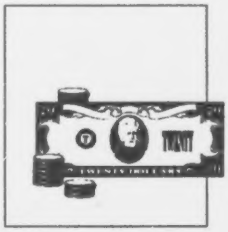


MANUFACTURING — **Dineh Cooperatives Inc.** plans to open its **second electronics plant on the Navajo Indian Reservation** later this year. Like the first plant, it will manufacture dashboard equipment for General Motors cars. The plant, which will initially employ 120 people but eventually could hire as many as 300 workers, will be located in Sanders, about 50 miles southeast of Window Rock. Dineh Cooperatives operates a similar facility in Leupp, about 40 miles northeast of Flagstaff, which employs about 300 people.

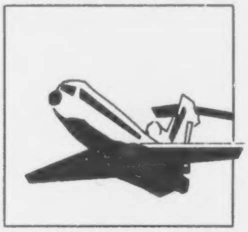
The **acquisition** of bottling and distribution rights of **Seven-Up brand products in Arizona** by Tucson-based Kalil Bottling Co. has resulted in the **loss of about 140 jobs**. With the purchase, Seven-Up Bottling Co. of Phoenix closed, as did its distribution centers in Tucson and Parker. Some of the former Seven-Up employees are expected to be hired by Kalil.

SERVICES — **St. Joseph's Hospital and Medical Center** in Phoenix will **reduce its staff almost 10 percent** by the middle of June as part of a restructuring plan. The elimination of about 300 of the hospital's 3,300 full-time-equivalent positions will not affect direct bedside-care occupations (e.g., nurses, physical therapists, pharmacists). St. Joseph's, 350 W. Thomas Road, is the Valley's second-largest hospital. Meanwhile, the **economic outlook is brighter at Phoenix General Hospital & Medical Center**. After sustaining about $25 million in losses in 1988 and 1989, the 110-bed hospital at 27th Avenue and Beardsley Road expects a profit for 1990. In addition, the **number of physicians** at Phoenix General has **increased 250** the past 12 months to 350, partly to help with a 12 new managed-care plans the hospital has picked up. The number of full-time employees, however, has decreased 20 percent in that time.

Gone fishing. Two eastern Arizona communities — **Snowflake-Taylor and Pinetop-Lakeside** — are reel to reel trying to land the "big one," a **$7.7 million salmon fish farm** that would create between 50 and 70 permanent jobs. Snowflake-Taylor was the first choice of fish farm developer Butler Research and Development of St. Paul, Minn., but Pinetop-Lakeside has funded a partial study to show its area's viability and is looking for resources to fund a complete study. May the best angler win.



FINANCE, INSURANCE AND REAL ESTATE — **Bank-America Corp.** of San Francisco has agreed to **buy the MeraBank Center** near the Phoenix Sky Harbor International Airport and lease the land the building is on in exchange for nearly $1.7 million in economic incentives and electricity discounts. The purchase of the four-building, 400,000-square foot center from the Resolution Trust Corp. has increased the likelihood BankAmerica will consolidate and move its credit-card and data processing operations to Phoenix. In the lease agreement with the city of Phoenix, BankAmerica **agreed to create at least 800 jobs by 1996**, but the financial holding company says it will likely create 1,200 jobs. Meanwhile, Bank of America Arizona will close a majority of the Pima Savings & Loan branches it acquired in February when it took over the failed thrift (see *Arizona LMI Newsletter*, March 1991) because the locations overlap territory of two other failed thrifts the bank acquired last year, MeraBank and Western Savings and Loan. Most of the former Pima Savings branches that will remain open will be in southern Arizona.



TRANSPORTATION, COMMUNICATIONS, and PUBLIC UTILITIES — An estimated **300 jobs are expected to be created** by the end of 1991 with America West Airlines' takeover of the administrative functions of its **frequent-flier program, FlightFund**. The transfer of administrative functions, which have been handled by Long Beach, Calif.-based MPI, was supposed to begin in mid-March. Most of the initial 140 workers who will staff FlightFund will come from workers in America West's reservations center in Tempe, which should then open up reservations center positions.

DynAir Tech Inc. of Arizona, which provides maintenance of commercial aircraft, is **hiring an additional 50 to 60 aircraft technicians** and may take on an additional 100 to 150 technicians in the near future. DynAir recently started construction of a $2 million, 56,000-square-foot hanger at its operations at Phoenix Sky Harbor International Airport. A recent contract from Boeing Corp. and additional business from the Air Force and commercial airlines has fueled DynAir's expansion plans.

Image

(Continued from page 6)

office that provides compensation to laid off workers. As a result ... some people do not think of Job Service as a place to find a job ... (and) during periods of rising unemployment ... Job Service staff may be reassigned to process benefit claims ... ."[17]

Finally, Frazier said part of the problem of spotty performance is due to DOL finding it difficult to balance its oversight needs against its concern to limit federal intrusion into state affairs. To correct the problem, DOL "should increase its leadership role by working proactively with the states to obtain and analyze additional information on Employment Service performance ... , increasing technical assistance, and more actively sharing information on effective state and local practices," he said.[18]

Chudd says that the GAO testimony "is being considered at higher levels at DOL," but in the meantime Region IX "is taking a more visible role. We've made it known we want to participate in more meetings and operations."

Ultimately, though, funding for Job Service — which is expected to be cut 7 percent ($55 million) for Federal Fiscal Year (FFY) 1992 from FFY's 1991 budget of $800 million — will determine Job Service's future role and rate of success, Martinez' aide says. "People want to have an integrated system that acts as a one-stop shopping center," the aide says. "If Job Service is going to have this responsibility, then it must be in position (with funding) to do this function."

—Brent Fine
Arizona LMI Newsletter Editor

Notes:

1. "The Re-Direction Of The Arizona Job Service — A Proposition For Change," presented by the Management Team of the Department of Economic Security, Employment and Training Administration, Manuel D. Martinez, Administrator, May 1985, p. 2.
2. Ibid.
3. "Employment Service: Leadership Needed to Improve Performance," statement of Franklin Frazier, Director, Education and Employment Issues, Human Resources Division, General Accounting Office, presented before Subcommittee on Employment Opportunities, Committee on Education and Labor, U.S. House of Representatives, Oct. 16, 1990, pp 2-9.
4. "Employment Service Reform Initiative," *Federal Register*, Sept. 19, 1990. Vol. 55, No. 182, p. 38636.
5. Ibid.
6. Ibid.
7. Ibid.
8. "Report on Response to Secretary Dole's ES Initiative," U.S. Department of Labor, Employment and Training Administration, Jan. 23, 1991 (unpublished).
9. Ibid.
10. Ibid.
11. Job Service Policy Retreat, U.S. Department of Labor, Employment and Training Administration, December 1990 (unpublished report).
12. Ibid.
13. Ibid.
14. "Employment Service: Leadership Needed to Improve Performance," statement of Franklin Frazier, Director, Education and Employment Issues, Human Resources Division, General Accounting Office, presented before Subcommittee on Employment Opportunities, Committee on Education and Labor, U.S. House of Representatives, Oct. 16, 1990, pp 2-9.
15. JTPA Title II-A, the largest single program under JPTA, provides job training and employment assistance primarily to disadvantaged adults and youth.
16. "Employment Service: Leadership Needed to Improve Performance," ... pp. 2-9.
17. Ibid.
18. Ibid.

News in Brief

(Continued from page 13)

Employment Security Agencies (ICESA) will be used. Professional credit from the National Board of Certified Counselors (NBCC) is available for those who request it.

The basic workshop text developed by NOICC is titled, "Using Labor Market Information in Career Exploration and Decision Making: A Resource Guide." The text links career-development theory, labor market concepts, occupational information resources, career counseling practices, and professional development plans. Instructional facilitators have been trained directly by NOICC.

The workshop will be the first ICDM training session in Arizona in more than two years, says Stan Butterworth, executive director, Arizona State Occupational Information Coordinating Committee (ASOICC). Member agencies of ASOICC include the state's Department of Education, Department of Economic Security, and Department of Commerce.

Interested counselors may contact the Center for Education Development, 620 N. 7th Avenue, Tucson, Arizona 85705; telephone (602) 791-3791. Registration deadline is May 17.

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ARIZONA LABOR MARKET INFORMATION

NEWSLETTER

Vol. XV No. 5
May 1991

Unemployment Rate

Seasonally Adjusted
March*

ARIZONA	–	4.9%
Maricopa Co.	–	4.2
Pima Co.	–	3.5
United States	–	6.8

Consumer Price Index

U.S. – March 1991
Base = 1982-84

Wage Earner/Clerical Worker	–	133.0
% Chg. Year Ago	–	4.6
All Urban	–	135.0
% Chg. Year Ago	–	4.9

Phoenix – 1st Qtr 1991
Base = 1982-84

All Urban	–	135.2
% Chg. Year Ago	–	2.8

Tucson CPI No Longer Available (see p. 12)

* Preliminary

STAGECOACH

Arizona 'At The Movies'

State Gaining More Attention From Film Industry as Hollywood Seeks Lower Costs, Elbow Room

Inside This Issue **Page**

State's Assets Attracting Movie Business 2
The Arizona Labor Force in March 7
Arizona Labor Force Statistics 8
News in Brief 13
New Developments 14

**Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency**

State's Scenery, Lower Costs Lure Movie Business

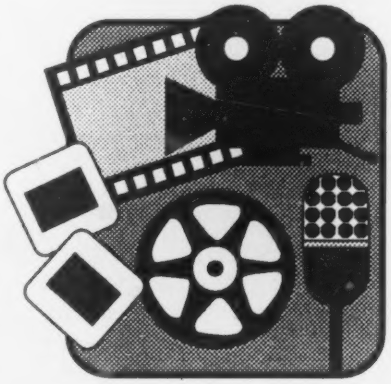
"The dollars that flow into a state's economy from films are like found money. Filmmakers don't wear out roads and bridges, use the schools, or pollute — they just drop cash wherever they go."

— Jeremy Schlosberg
American Demographics

Moviemakers have been attracted to Arizona for more than half a century. In Flagstaff alone more than 50 feature-length films have been produced since 1930. A prime location for Westerns, Monument Valley was the film location for "Stagecoach" in 1939, and Old Tucson had its beginnings that same year, built for the movie "Arizona." Santa Cruz County, in 1953, was chosen for the filming of "Oklahoma," much to the consternation of that state's residents.

While Arizona has long been a favorite of producers of Westerns (for movies and television), it's being used more and more for other movie genre and telefilms, as well as television commercials. In recent years, films featuring extraterrestrials, wild car chases, a visit to the past and future, wacky parents and a little baby, and a small-town romantic interlude have used the state as a backdrop.

This film divergence is partly due to one of the state's chief attractions — its varied terrain. And the state's film commission recently used this valuable asset in a successful print advertising campaign that showed a distinctive black hot-air balloon, etched with the state's emblem, photographed at various locations throughout the state that could pass for someplace other than Arizona. The ad appeared in various trade publications with the headline: "You Can Shoot Anywhere in the World in Arizona."



The state first began a concerted effort to lure movie and television business in 1973 when then-Gov. Jack Williams officially established the Governor's Arizona Film Commission. Placed under the auspices of the Office of Economic Planning and Development (the forerunner of the Arizona Department of Commerce), the commission was to consist of "not more than ten members to be appointed by the Governor and representing a cross-section of the states' business community as well as the public at large .... ."[1]

At the time, Arizona was one of only a few states with a film commission. Now, however, 41 other states have created film agencies. But local film commissions, some with only part-time staff, have also been established around the state in Yuma, Flagstaff, Sedona, Page, Lake Havasu, Parker, Prescott, Verde Valley, Tucson, and Phoenix.

With a staff of five, including Director Bill MacCallum, and an annual budget of about $330,000, the state film commission, however, is still the "big daddy of 'em all." More commonly known as the Motion Picture Development Office, the state agency is responsible for promoting Arizona's production and film qualities with a major emphasis on bringing "new money" into the state from companies outside Arizona, MacCallum says.

About one-third of the agency's budget is spent "wooing" producers and, upon request, the division provides materials on Arizona and its resources, MacCallum says. During Arizona Fiscal Year 1989 (July 1, 1988-June 30, 1989), the film office responded to more than 8,000 requests.

The motion picture office generally shifts into high gear when a production company sends a script to the agency and asks if any Arizona locations may be appropriate for a project. Agency staff will scout locations, check on nearby services, take photos and videos, and may obtain any necessary permits and/or rights-of-way for filming on public lands, highways, or Indian reservations.

Office staff also pick up filmmakers and other production officials at airports when they visit Arizona, giving them the "royal treatment" as well as a tour of locations they're interested in using. "It's a major part of our business. We'll put them in a boat, whatever it takes, to get them to a film location," MacCallum says.

At the conclusion of a project, MacCallum's office may need to "mend fences" both in a literal and figurative sense. And as a final touch, the film commission will usually place ads in industry trade publications thanking the company for choosing Arizona.

Climate, Proximity to L.A. Help State

Besides topography, Arizona has several other factors going in its favor in trying to lure film business. Naturally, Arizona's sunny, dry climate is a selling point as is its proximity to Los Angeles. Producers can sometimes get to Tucson or Phoenix more quickly than they can get around their own city.

Historically, producers have preferred to shoot as much as possible inside their Los Angeles studios, but moviegoers have become more sophisticated and won't settle for fabricated sets. The final location decision may depend, however, on a community's willingness to completely accommodate a production company.

Table 1. Average Number of Reporting Units, Employment and Weekly Wages for Motion Picture Industry and Subindustries, U.S. and Selected States, 1989

		SIC 781			SIC 7812			SIC 7819		
	Rank by Employment	Number of Units	Employment	Weekly Wage	Number of Units	Employment	Weekly Wage	Number of Units	Employment	Weekly Wage
United States	—	12,090	133,178	$797	9,739	94,733	$ 899	2,351	38,445	$549
California	1	5,041	81,224	894	3,710	57,474	1,020	1,331	23,750	590
New York	2	2,179	16,921	972	1,813	12,391	1,061	366	4,530	726
Florida	5	332	2,048	543	296	1,826	557	36	222	421
Arizona	**22***	**107**	**558**	**566**	**87**	**504**	**593**	**20**	**54**	**313**
Oregon	26*	82	394	480	72	347	479	10	47	483

Notes:

* = Estimate (see foonote 7)

Units = Reporting Units or Business Establishments

SIC 781 = Motion Picture Production and Allied Services (Industry Group)
SIC 7812 = Motion Picture and Video Production
SIC 7819 = Services Allied to Motion Pictures

Source: *Employment and Wages, Annual Averages, 1989*, *U.S. Department of Labor, Bureau of Labor Statistics, October 1990*

When "Murphy's Romance" was made in Florence several years ago, a major section of town was blocked off for 2½ months, MacCallum says.

Another factor often cited in Arizona's favor is low production costs. According to a *Business Journal* article in May 1989, the average cost to film a television commercial in Arizona was between $25,000 and $40,000 a day, while the daily cost in Los Angeles and New York ranges between $60,000 and $80,000.[2]

Some industry analysts believe that Arizona's right-to-work laws — and thus the absence of a strong union influence — contributes to the state's cheaper production costs and enhances movie industry growth. However, costs are not always a major factor in a final decision where to film, because while small businesses are not required to hire union people, the large studios are signatory to contract with unions, such as the Teamsters and the Screen Actors Guild, even if they come to Arizona. Union representatives can and do, however, negotiate wage rates that make Arizona more attractive.

Currently, the Screen Actors Guild in Phoenix reports local membership of about 600 and the American Federation of Television and Radio Artists (AFTRA) about 250. The AFL-CIO's International Alliance of Theatrical Stage Employees (IATSE) set up a new local union in Phoenix last year and the Motion Picture Studio Mechanics union signed up 223 members in its first few days. The IATSE also has locals for wardrobe personnel, projectionists, and other occupations.

MacCallum says about 75 percent of film projects in Arizona are done by smaller production companies who have budgets of about $4 million or less. The smaller production companies' workforce is usually made up of about 80 percent Arizona workers. The larger production companies — primarily from California — who are likely to be unionized bring in about 85 to 90 percent of their workforce (not including extras) from out of state.

Table 2. Arizona Motion Picture Industry Employment (SIC 781), 1985-89

Year	Employment*	Percent Change	Number of Units*
1985	448	—	83
1986	498	11%	82
1987	361	-28	81
1988	434	20	98
1989	558	29	107

Notes:

Units = Reporting Units or Business Establishments

* = Annual Average

Source: *Arizona Department of Economic Security, Research Administration, ES-202 Program*

Accurately measuring the economic impact of any company or industry is a difficult task, and especially so with the volatile motion picture industry. Most production companies are small "independents" that are set up only for the project at hand. They arrive with their key people (most are independent contractors themselves), hire any number of temporary employees, utilize a multitude of services, do their jobs as quickly as possible, and then they're gone.

Two primary measures of an industry's economic impact are employment and wages. And one of the best sources of employment and wage data comes from the U.S. Department of Labor's ES-202 program, which generates and compiles data on workers covered by unemployment insurance laws, about 95 percent of the workforce.[3] The ES-202 program categorizes this information by industry using codes from the Standard Industrial Classification (SIC) Manual—1987.[4]

One problem in using this data, however, is that it can understate the economic impact of a transient industry such as film and television production. For example, when a production company that was established in California comes to Arizona for several months, any people they hire locally are counted as Arizona employees, but people they bring with them are counted as California employees. (As noted earlier, the smaller production companies, which account for about 80 percent of the filmwork in Arizona, tend to hire local workers, while the larger production companies usually bring in their own people.)

The SIC Manual classifies what is generally thought of as the filmmaking industry under the three-digit category, "Motion Picture Production and Allied Services," code 781. This category is composed of two subindustries, "Motion Picture and Video Tape Production" (SIC 7812) and "Services Allied to Motion Picture Production" (SIC 7819).

The former includes establishments primarily engaged in the production of theatrical and non-theatrical motion pictures and video tapes for exhibition or sale, including educational, industrial, and religious films. The latter contains establishments engaged in performing services related to movie production such as film processing, editing, titling, casting, and studio property rental.[5] (SIC 781 does not include workers involved with live locally produced television shows, such as newscasts.)[6]

Feature Films Shot In Arizona

- Stagecoach
- Oklahoma
- Psycho
- Murphy's Romance
- Raising Arizona
- Midnight Run
- Back to the Future Part 3
- Young Guns II
- National Lampoon's Vacation
- Planet of the Apes

Occupations that make up a majority of positions in SIC 781 include camera operators, film editors, producers, directors, actors, and other entertainers. But the film industry also includes occupations that might be thought of as atypical of this sector, such as budget analysts, purchasing agents, electrical and electronic engineers, and watch guards.

Arizona 22nd in W&S Employment

Considering the state's assets, Arizona ranked an estimated — and a surprisingly low — 22nd in wage and salary employment in 1989 (the latest full year available) among all states in motion picture production (SIC 781), according to ES-202 data (see Table 1).[7] The film industry is dominated by only a handful of states with California and New York combined claiming 75 percent of total U.S. employment, while Arizona's share is less than 1 percent.[8]

Despite the state's ranking, statewide wage and salary employment for the movie industry grew about 25 percent between 1985 and 1989 with most of the growth occuring in the last two years (see Table 2). Maricopa and Pima counties together accounted for about 80 percent of total employment in SIC 781 (as is the case for most every industry in the state) during that five-year period. Undoubtedly this is due in part to Maricopa and Pima counties being the home of Arizona's two major studios — Carefree Studios in north Scottsdale and Old Tucson, west of Tucson.

Average wages in Arizona's film industry in 1989, meanwhile, greatly outpaced most sectors in the state's services industry (which SIC 781 falls under), and was on par with some of the higher-paying industries in the goods-producing sector. The average weekly wage for SIC 781 in '89 was $566, dwarfing the overall average wage for Arizona's services sector ($365) and matching the overall average for the manufacturing sector ($547).

Interestingly, there was quite a disparity in weekly wages between SIC 781's two subindustries, although this appears to be quite common among states. "Motion Picture and Video Production" (SIC 7812) had average weekly wages in 1989 of $593 compared to $313 for "Services Allied to Motion Picture Production" (SIC 7819).[9] A lack of union influence and small amount of employment in SIC 7819 likely accounts for the disparity, MacCallum says. However, because total employment was nearly 10 times greater in SIC 7812 than SIC 7819 — 504 vs. 54 — average wages for the overall industry remained relatively high.[10]

Comparing nationally, Arizona's wages in SIC 781 in 1989 were about one-third lower than the U.S. average of $797. This was primarily due to California and New York's dominance over the industry. But interestingly, average wages in Arizona's SIC 7812 ranked in the top 10 among 44 states and Washington D.C. that reported, but the state's average for SIC 7819 was in the lower one-third of 29 states reporting.[11] Although wages are higher in the film industry than many other services industries, a negative factor for the movie business is that employment often is not available or steady, particularly in primary occupations such as actors and directors. A movie project does, however, create ancillary jobs.

For example, a production company often requires the services of a multitude of local individuals and organizations such as construction workers, off-duty police officers, caterers, chauffeurs, hairstylists, photographers, and others. In addition, filmmakers may also hire several hundred "extras" — people that might appear briefly on camera, such as part of a crowd. Extras receive about $45 and meals for the day.

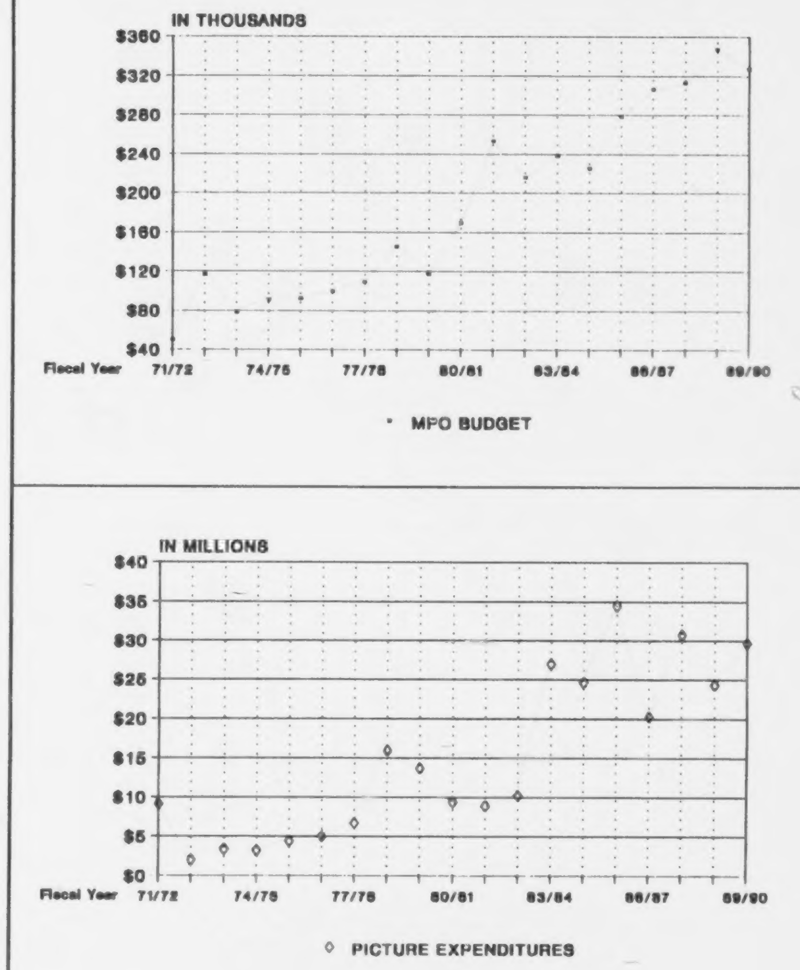
Film Office Tracks Economic Impact

The Motion Picture Development Office has been gathering information on these ancillary jobs, and efforts have recently been stepped up to solicit audits from production company accountants following an Arizona shoot. MacCallum estimates that about 80 percent cooperate with his office. "They let us know the number of hotel rooms they used, how many extras they paid, (local) crew they hired, building materials bought, caterers — essentially all of the expenses they wrote checks for," he says. MacCallum's office is not, however, responsible for tracking local productions.

According to data collected by the film office and reported in a recent issue of its quarterly publication, *Arizona's Call Sheet*,[12] the film and television production industry spent an estimated $34 million in Arizona during 1989, about three times what was being spent during the early '80s. And since the early '70s, the state motion picture office has spent only $3.6 million in helping to attract more than $280 million in production company expenditures. (see Figure 1)[13]

The 1989 figures cover productions on all or part of 16 feature films; 20 telefilms, series, and specials; 62 documentaries and industrial films; and 249 national and regional commercials.[14] MacCallum estimates that the expenditure multiplier — a way to measure the reuse or secondary impact of money once it enters the economic flow of an area — for the film industry is 3½ times. If his estimates are correct, that would translate into an economic impact from out-of-state production companies of more than $100 million in 1989.

Figure 1. **Arizona Motion Picture Office Budget, and Expenditures by Out-of-State Production Companies, Fiscal Years 1971-72 - 1989-90**



MPO Budget = Motion Picture Office Advertising/Promotion Budget

Source: Arizona Dept. of Commerce, Motion Picture Development Office, March 1991

Another source of film industry revenue for local communities is from production workers' per diem expenses. While on location, members of the cast and crew each receive between $40 and $50 per day, which they will likely spend on meals, entertainment, clothes, souvenirs, and other necessities. With a crew of 100, this money quickly adds up for local merchants and for the state's coffers in the form of sales tax.

Other, less quantifiable benefits have been ascribed to the movie industry, such as increased tourism. Not only does a community get an infusion of cash from a shoot, but a psychological and a promotional boost, as well. Would anyone argue that film and television is a glitzy, ritzy, exciting business? Well, at least to some. The 160 acres of sets at Old Tucson draws approximately 500,000 visitors each year, which accounted for approximately 95 percent of its annual revenues, or about $8.7 million in 1990.

Future Appears Bright

Although MacCallum has no time-travel machine, based on past and recent experience the film commission director believes the state has a "big future" in the movies and should reap the benefits of a multi-billion dollar industry that has recently drawn the attention of Japanese investors. However, he says, several factors — including not taking the industry for granted — will play a major role in how fast growth will occur.

The move of a major production company to the state will mean "a tremendous increase in the film industry," says MacCallum, who expected this to have occurred 10 years ago. "When it happens, there will be a lot of people looking for work in all occupations," he says.

The state's major assets (noted earlier), particularly the proximity to Hollywood, also should continue to work in the state's favor, MacCallum says. Hints that major studio executives want to get away from "blockbuster," big-budget pictures in order to cut costs,[15] as does a recent pick-up in film activity at Old Tucson — due to renewed interest in Westerns — should bode well for the state's film industry.[16] There's a whole new generation of young people that did not grow up with the old Westerns, and an even bigger group that looks back at them nostalgically.

But competition is getting stiff, and climate and lower production costs will not necessarily translate into continued growth. Arizona is currently competing with more than 130 film commissions in the United States and other countries, such as Canada, Puerto Rico, the Virgin Islands, Peru, Australia, and Poland.

California, which reportedly lost $1 billion in production business to other states in 1985, is fighting back. California recently created a film commission with a network of 60 liaison offices around the Golden State and eliminated permit fees usually charged for filming on state lands.[17] Other states offer similar incentives and tax waivers or rebates while Arizona currently offers no such incentives. And favorable currency exchange rates and low costs of labor are two reasons a film maker may choose to locate outside the United States.

MacCallum believes that Arizona's public sector will need to take an active role to ensure continued growth. "In order for us to be more than a small part of the industry, state government will have to go after business," he says.

And like the Cactus League, Arizona will not be able to take this cash cow for granted, or fear losing out to more aggressive states and countries.

—Marcy Tomko
RA Research Analyst

Also contributing to the story was Brent Fine, Arizona LMI Newsletter Editor.

Notes:

1. Executive Order 73-6, GV1.3: E93/73-6, Nov.30, 1973, Gov. Jack Williams.
2. "Businessman plans multimillion-dollar film studio," Terry McDonnell and Angela Torrez, *Business Journal*, May 15, 1989, p.1.
3. Employment data used in this analysis are the product of a federal-state cooperative program in which state employment security agencies (SESAs) prepare summaries of employment and total pay of workers covered by unemployment insurance (UI) legislation. The summaries are a byproduct of the administration of State Unemployment Insurance programs that require most employers to pay quarterly taxes based on the unemployment and wages of workers covered by UI.
4. The Standard Industrial Classification (SIC) system is the statistical classification standard underlying all establishment-based federal economic data. The structure of the SIC system makes it possible to tabulate, analyze, and publish employment data on four levels, according to the amount of industry detail considered most appropriate. The four levels are: division (one digit), major group (two digit) industry group (three digit), and industry code (four digit).
5. "Standard Industrial Classification Manual—1987," Executive Office of the President, Office of Management and Budget, 1987.
6. Ibid.
7. *Employment and Wages, Annual Averages, 1989*, U.S. Department of Labor, Bureau of Labor Statistics, p. 475, October 1990; also, Arizona's employment ranking is an estimate due to non-disclosure rules that prohibited some states from reporting employment totals for either or both SICs 7812 and 7819. ES-202 data cannot be disclosed: if either there are less than three companies in the SIC category or one company has 80 percent or more of the SIC category's employment.
8. Ibid.
9. Ibid.
10. Ibid.
11. Ibid; also, due to non-disclosure rules not all states reported employment totals for either or both SICs 7812 and 7819 (see footnote 7).
12. *Arizona's Call Sheet*, Arizona Department of Commerce, Vol. IX, No. 3, Winter 1990, p.1.
13. Motion Picture Development Office, Arizona Department of Commerce, Advertising/Promotion Budget Report (unpublished), March 1991.
14. "Arizona's where Action! is," Guy Webster, *The Arizona Republic*, November 1990, F1.
15. "Big-budget blues hit Hollywood studios," John Horn, *The Associated Press*, published in *The Arizona Republic*, March 31, 1991, p. F1.
16. "Back from boot hill: Westerns gallop anew into films, TV, U.S. awareness," Hal Mattern, *The Arizona Republic*, March 8, 1987, p. F1.
17. "Lights! Camera! Arizona!," Hal Mattern, *The Arizona Republic*, March 8, 1987, p. F1.

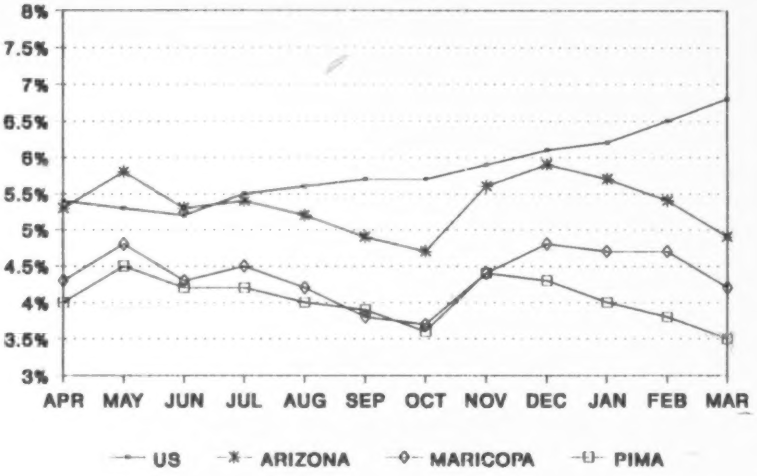
The Arizona Labor Force in March

Despite rising unemployment nationally, Arizona's economy continues to show signs of health. While the national unemployment rate in March advanced three-tenths of a percent to 6.8 percent, Arizona's rate decreased one-half of a point to 4.9 percent — the lowest rate since October of last year.

Arizona's non-agricultural wage and salary growth did equally well in March. While the nation experienced job losses in March — especially in the construction and manufacturing sectors of East Coast states — Arizona posted a gain of 8,300 wage and salary jobs. Over March 1990, the number of wage and salary jobs is up 2.5 percent, running at about the same pace as the previous two years.

A decline of 5,000 in Arizona's unemployment last month is more evidence that the state's economy has strengthened somewhat. This drop, coupled with a 13,100 increase in the level of employment, suggests that Arizonans are having success in their search for work. Further, an upsurge of confidence due to the end of the Gulf War has encouraged formerly discouraged workers to seek employment.

Figure 1. **U.S., Arizona, and Maricopa and Pima Counties Unemployment Rates, April 1990-March 1991**



Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration

With the exception of Yavapai County, the unemployment rates among the state's counties decreased across the board in March. Pima County had the lowest rate at 3.5 percent and Maricopa County was not far behind at 4.2 percent. Yavapai County had the lowest unemployment rate of the non-metropolitan areas at 4.9 percent while Yuma County had the highest at 18.2 percent.

Several Sectors Remain Weak

Although the overall picture of Arizona's economy is looking good, deficiencies are apparent in some key industries. Manufacturing employment continues to trend downward and is currently at a level not seen since the early part of 1986. Construction posted a small gain for the month, but on a year-over-year basis the industry is still not performing up to par. And the trade and service industries created jobs in March but at a lower than post-1982-recession average. However, on the bright side is government which had particularly strong job gains in March.

Government employment expanded a phenomenal 4,500 for the month — slightly less than double the average gain in March over the last eight years. Since March 1990, government has added more than 13,000 jobs, growing at a 5.0 percent clip. If this trend continues, year-end growth in government will be greater than in any single year over the last decade.

Analyzing government employment by sector reveals that last month's overall gain was skewed by one area. Although the federal and state and local government sectors experienced normal March gains, school employment surged with colleges in Pima County being the driving force. The filling of a large number of work-study, clerical, and staff positions apparently caused the jump.

Services has averaged 3,800 new jobs in March over the past eight years. This March, however, services created only 2,200 jobs. Although the gain is less than normal, in light of the current national recession the state should be thankful there were any gains at all. Hotels and motels added 900, a normal gain for March, while both business services and health services dropped by 100 when normally each sector gains about 500 jobs. The catchall category of "other services," which includes amusements and professional services, had job growth in excess of the norm.

Weak Food Stores Hurt Trade

Even with the Gulf War's end, trade remained weak with job growth in March at 1,400, about 1,000 less than normal. Wholesale trade dropped 100 when an increase of 500 is typical. However, general merchandise and apparel gained 300 in a month when employment normally decreases. Food stores pared back employment by a greater-than-normal amount in March while automotive services and eating and drinking places each experienced normal gains for the month.

Employment in manufacturing decreased by 200 in March and was equally split between durable and nondurable goods

(Continued on page 12)

Arizona Labor Force and Employment

March 1991 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				Amount Change					Amount Change					Amount Change	
	Mar.* 1991	Feb. 1991	Mar. 1990	Feb. - Mar.	1990 - 1991	Mar.* 1991	Feb. 1991	Mar. 1990	Feb. - Mar.	1990 - 1991	Mar.* 1991	Feb. 1991	Mar. 1990	Feb. - Mar.	1990 - 1991
TOTAL CIVILIAN LABOR FORCE**	1708.1	1700.0	1704.8	+8.1	+3.3	1060.5	1058.4	1059.4	+2.1	+1.1	314.6	310.3	308.0	+4.3	+6.6
Total Unemployment	83.3	88.3	89.2	-5.0	-5.9	45.2	47.3	46.1	-2.1	-0.9	10.9	11.5	12.7	-0.6	-1.8
Unemployment Rate	4.9%	5.2%	5.2%	—	—	4.3%	4.5%	4.4%	—	—	3.5%	3.7%	4.1%	—	—
Unemployment Rate (Sea. Adj.)***	4.9%	5.4%	5.3%	—	—	4.2%	4.7%	4.3%	—	—	3.5%	3.8%	4.1%	—	—
Total Employment	1624.8	1611.7	1615.6	+13.1	+9.2	1015.3	1011.1	1013.3	+4.2	+2.0	303.7	298.8	295.3	+4.9	+8.4

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
	Mar.* 1991	Feb. 1991	Mar. 1990	Feb. - Mar.	1990 - 1991	Mar.* 1991	Feb. 1991	Mar. 1990	Feb. - Mar.	1990 - 1991	Mar.* 1991	Feb. 1991	Mar. 1990	Feb. - Mar.	1990 - 1991
TOTAL WAGE AND SALARY	1527.2	1518.9	1489.7	+8.3	+37.5	1003.7	1001.2	981.5	+2.5	+22.2	262.2	258.8	256.2	+3.4	+6.0
Manufacturing	182.0	182.2	185.5	-0.2	-3.5	135.8	135.7	138.3	+0.1	-2.5	25.8	25.9	27.0	-0.1	-1.2
Durable Goods	136.3	136.4	139.4	-0.1	-3.1	103.4	103.3	105.2	+0.1	-1.8	20.1	20.2	21.1	-0.1	-1.0
Stone, Clay, and Glass	6.4	6.4	7.0	0.0	-0.6	3.7	3.7	4.0	0.0	-0.3					
Primary and Fabricated Metals	14.1	14.1	14.6	0.0	-0.5	9.7	9.6	9.8	+0.1	-0.1					
Primary Metals	6.3	6.3	6.5	0.0	-0.2										
Fabricated Metals	7.8	7.8	8.1	0.0	-0.3										
Machinery	58.1	58.1	59.4	0.0	-1.3	48.2	48.1	49.4	+0.1	-1.2					
Aircraft and Missiles	26.7	26.9	26.6	-0.2	+0.1										
Lumber and Wood Products (Excluding Furniture)	6.2	6.2	6.9	0.0	-0.7										
Nondurable Goods	45.7	45.8	46.1	-0.1	-0.4	32.4	32.4	33.1	0.0	-0.7	5.7	5.7	5.9	0.0	-0.2
Food and Kindred Products	10.2	10.3	9.8	-0.1	+0.4	7.1	7.2	6.9	-0.1	+0.2					
Printing and Publishing	17.1	17.1	17.0	0.0	+0.1	12.0	11.9	12.1	+0.1	-0.1					
Mining and Quarrying	12.8	12.7	12.2	+0.1	+0.6	0.7	0.7	0.8	0.0	-0.1	2.3	2.2	2.1	+0.1	+0.2
Copper Mining	10.2	10.1	9.6	+0.1	+0.6										
Construction	76.8	76.7	81.2	+0.1	-4.4	49.6	50.2	54.3	-0.6	-4.7	14.7	14.5	14.4	+0.2	+0.3
Trans., Communications, & Public Utilities	81.9	81.7	82.4	+0.2	-0.5	58.0	58.3	58.2	-0.3	-0.2	9.4	9.4	9.6	0.0	-0.2
Transportation	46.3	46.4	46.0	-0.1	+0.3	34.9	35.2	34.7	-0.3	+0.2	4.9	4.9	5.1	0.0	-0.2
Communications and Public Utilities	35.6	35.3	36.4	+0.3	-0.8	23.1	23.1	23.5	0.0	-0.4	4.5	4.5	4.5	0.0	0.0
Trade	379.7	378.3	366.8	+1.4	+12.9	256.0	255.0	245.2	+1.0	+10.8	60.7	60.7	60.3	0.0	+0.4
Wholesale Trade	77.5	77.6	75.2	-0.1	+2.3	61.7	61.8	59.8	-0.1	+1.9	7.5	7.5	7.8	0.0	-0.3
Retail Trade	302.2	300.7	291.6	+1.5	+10.6	194.3	193.2	185.4	+1.1	+8.9	53.2	53.2	52.5	0.0	+0.7
General Merchandise and Apparel	47.6	47.3	45.2	+0.3	+2.4	29.0	28.8	27.1	+0.2	+1.9	8.7	8.7	8.3	0.0	+0.4
Food Stores	50.6	51.0	47.7	-0.4	+2.9	32.0	32.4	30.4	-0.4	+1.6	8.9	8.8	7.9	+0.1	+1.0
Automotive and Service Stations	34.5	34.3	34.3	+0.2	+0.2	21.6	21.4	21.2	+0.2	+0.4	5.5	5.5	5.6	0.0	-0.1
Eating and Drinking Places	109.9	108.7	105.8	+1.2	+4.1	71.9	71.0	68.1	+0.9	+3.8	19.5	19.5	19.7	0.0	-0.2
Finance, insurance, and Real Estate	95.2	95.2	93.7	0.0	+1.5	76.0	76.0	74.7	0.0	+1.3	11.6	11.6	11.6	0.0	0.0
Services and Miscellaneous	420.4	418.2	402.7	+2.2	+17.7	284.5	283.0	274.0	+1.5	+10.5	77.7	77.5	74.0	0.2	+3.7
Hotels and Lodging Places	45.6	44.7	43.8	+0.9	+1.8	29.1	28.6	27.7	+0.5	+1.4	6.8	6.7	6.7	+0.1	+0.1
Business Services	79.5	79.6	77.7	-0.1	+1.8	63.3	63.3	63.1	0.0	+0.2	11.4	11.6	10.0	-0.2	+1.4
Health Services	104.1	104.2	99.7	-0.1	+4.4	67.3	67.4	63.8	-0.1	+3.5	22.8	22.7	22.4	+0.1	+0.4
Government	278.4	273.9	265.2	+4.5	+13.2	143.1	142.3	136.0	+0.8	+7.1	60.0	57.0	57.2	+3.0	+2.8
Federal	45.5	45.4	45.6	+0.1	-0.1										

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

Note: Presented by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Non-metropolitan Counties
Labor Force and Employment
March 1991

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,575	35,000	44,225	12,750	8,175	3,175	5,325
Total Unemployment	1,875	2,500	2,750	1,075	500	175	375
Rate	12.9%	7.1%	6.2%	8.4%	6.1%	5.5%	7.0%
Rate (Seas. Adj.)**	13.1%	6.7%	6.1%	7.4%	6.0%	5.8%	6.7%
Total Employment	12,700	32,500	41,475	11,675	7,675	3,000	4,950

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
TOTAL WAGE AND SALARY	15,425	26,500	42,375	11,475	5,650	3,275	4,050
Manufacturing	475	1,125	3,375	1,400	225	25	275
Mining & Quarrying	50	100	100	1,300	0	1,900	75
Construction	550	875	1,500	600	150	200	300
T.C.P.U.	1,975	1,675	3,100	475	150	50	125
Trade	1,450	5,325	9,825	2,400	1,600	300	1,325
F.I.R.E.	475	650	850	300	125	25	125
Services & Misc.	5,100	5,025	10,725	2,325	875	175	900
Government	5,350	11,725	12,900	2,675	2,525	600	925

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	37,900	28,150	37,950	11,550	41,425	52,775
Total Unemployment	2,300	2,750	2,825	1,050	2,225	6,800
Rate	6.1%	9.8%	7.4%	9.1%	5.4%	12.9%
Rate (Seas. Adj.)**	5.6%	8.8%	7.3%	13.9%	4.9%	18.2%
Total Employment	35,600	25,400	35,125	10,500	39,200	45,975

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	27,850	22,300	31,575	11,550	29,375	29,975
Manufacturing	2,525	2,050	3,450	975	2,325	2,150
Mining & Quarrying	50	1,200	3,950	25	1,000	50
Construction	2,700	775	750	300	2,400	1,350
T.C.P.U.	1,325	1,525	1,075	775	1,125	1,150
Trade	8,275	4,050	5,775	5,475	7,800	9,375
F.I.R.E.	1,450	450	775	275	1,025	1,050
Services & Misc.	6,825	5,500	5,250	1,850	7,300	6,450
Government	4,700	6,750	10,550	1,875	6,400	8,400

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Mar.* 1991	Feb.** 1991	Mar. 1990	Mar.* 1991	Feb.** 1991	Mar. 1990	Mar.* 1991	Feb.** 1991	Mar. 1990
Manufacturing	422.99	418.55	417.36	40.4	39.9	41.2	10.47	10.49	10.13
Aircraft & Missiles	648.24	645.65	647.34	45.3	45.5	45.3	14.31	14.19	14.29
Food & Kindred Prod.	355.42	352.30	330.33	39.1	38.8	39.0	9.09	9.08	8.47
Primary Metals	501.41	491.34	497.36	38.6	38.0	38.2	12.99	12.93	13.02
Machinery	402.00	396.47	384.94	40.2	39.1	39.4	10.00	10.14	9.77
Copper Mining	657.41	640.20	589.25	44.3	44.0	43.2	14.84	14.55	13.64
Construction	439.56	432.25	437.18	37.0	36.6	36.8	11.88	11.81	11.88
Utilities	746.30	741.31	743.48	43.9	43.2	43.1	17.00	17.16	17.25
Retail Trade**	257.43	253.89	258.46	31.9	31.5	32.8	8.07	8.06	7.88
Wholesale Trade	398.04	390.91	372.66	38.2	38.1	38.3	10.42	10.26	9.73

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Mar.* 1991	Feb.** 1991	Mar. 1990	Mar.* 1991	Feb.** 1991	Mar. 1990	Mar.* 1991	Feb.** 1991	Mar. 1990
Manufacturing	446.63	440.36	444.52	40.9	40.4	41.7	10.92	10.90	10.66
Construction	469.10	462.20	454.10	37.8	37.7	37.1	12.41	12.26	12.24
Retail Trade**	263.54	264.64	270.21	32.1	32.0	33.4	8.21	8.27	8.09
Wholesale Trade	431.26	424.13	388.24	38.3	37.7	38.1	11.26	11.25	10.19

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Mar.* 1991	Feb.** 1991	Mar. 1990	Mar.* 1991	Feb.** 1991	Mar. 1990	Mar.* 1991	Feb.** 1991	Mar. 1990
Manufacturing	395.21	381.58	344.77	39.8	38.7	36.6	9.93	9.86	9.42
Construction	396.34	372.48	379.13	35.9	33.8	35.4	11.04	11.02	10.71
Utilities	627.76	619.24	580.76	41.3	41.2	39.4	15.20	15.03	14.74

* Preliminary.

** Revised

*** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
March 1991

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,708,097	1,624,773	83,324	4.9%
Apache	14,590	12,708	1,882	12.9
Cochise	35,000	32,495	2,505	7.2
Coconino	44,203	41,463	2,740	6.2
Gila	12,730	11,667	1,063	8.4
Graham	8,193	7,682	511	6.2
Greenlee	3,190	3,003	187	5.9
La Paz	5,327	4,940	387	7.3
Maricopa	1,060,552	1,015,321	45,231	4.3
Mohave	37,909	35,611	2,298	6.1
Navajo	28,147	25,409	2,738	9.7
Pima	314,546	303,669	10,877	3.5
Pinal	37,943	35,127	2,816	7.4
Santa Cruz	11,567	10,507	1,060	9.2
Yavapai	41,415	39,194	2,221	5.4
Yuma	52,786	45,978	6,808	12.9

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Labor Force

(Continued from page 7)

On the durable goods side, aircraft and missiles was hit the hardest, dropping 200. In nondurable goods, food and kindred products lost 100 jobs, but this is a normal occurrence.

Construction added 100 jobs in March when the average gain has been 1,100. Pima County, however, attained its normal gains, adding 200 jobs. Unusually harsh weather in the state — heavy rains in the desert regions and snow in the higher elevations — may have retarded some work. Though, a more likely reason for weak construction employment is a lack of demand for and an excess supply of space in most sectors of the real estate market.

Transportation, communications, and public utilities (TCPU), the stellar performer of 1990, has plunged back to earth in recent months. An addition of 500 jobs is the March norm, but only 200 jobs were created in March. Finally, finance, insurance, and real estate had no over-the-month change when an increase of 600 jobs is usually the case. And mining added 100 jobs to bring its over-the-year gain to 600.

In summary, Arizona's economy continues to grow, albeit at a slower-than-historical pace. The recession that is gripping the nation has had some, but not much, impact on Arizona. With any luck, the state will continue to prosper as the nation slowly emerges from the economic downturn.

—Marc A. Marra
RA Economist

UofA No Longer Calculating Tucson-Area Price Index

A consumer price index (CPI) for the Tucson metropolitan area will no longer be published by the University of Arizona's Division of Economic & Business Research (DEBR) due to cutbacks within the department. CPI data for the fourth quarter of 1990 is the last quarterly period the index covered.

Budget cuts of about $300,000 and reduction in staff are also forcing DEBR to scale back its newsletter, *Arizona's Economy*, which is expected to be published quarterly instead of monthly.

DEBR will, however, continue its economic-forecasting work.

NEWS IN BRIEF

Impact of Disability Act on Small Business Not Expected to Be Severe, EEOC Says

Small businesses are not expected to be severely economically impacted by the Americans with Disabilities Act (ADA), according to the Equal Employment Opportunity Commission (EEOC). The EEOC recently released proposed regulations on the landmark legislation which goes into effect next January.

ADA, which prohibits employers from discriminating against qualified workers with disabilities and requires business to make "reasonable accommodations" for disabled employers, is expected to cost businesses about $16 million the first year. However, because small businesses have fewer employees the law "can be expected to impose fewer costs of these employers as they will have fewer employment opportunities and fewer applicants and employees who need an accommodations," the commission says in a report published in the *Federal Register*.

The EEOC, which estimates the average cost per accommodation will be $304, says more than half of the changes can be done without cost, 18.5 percent will cost between $1 and $99, and 11.9 percent will cost between $100 and $499. More than 80 percent of accommodations will cost less than $500. ADA will allow companies, however, to take a tax deduction up to $35,000 a year for architectural costs, and businesses may be able to apply for deductions under the Targeted Jobs Tax Credit program. Companies with fewer than 15 employers are exempt from the law.

The commission says employer compliance will be determined on a case-by-case basis. But because Title I of ADA, which deals with employment of the disabled, is more detailed than similar type of legislation, there will be little room for regulatory discretion.

Although the regulations define a disability, they do not say which impairments cause a disability. A disability is defined as a "physical or mental impairment that substantially limits one or more of the major life activities of an individual, a record of such an impairment, or being regarded as having such an impairment." The regulations give a list of "commonly disabling impairments," which include: substantial orthopedic, visial, speach and hearing impairments; AIDS; cancer; heart disease; and diabetes.

The EEOC estimates that ADA will generate yearly tax revenues of $222 million and save $164 million in support payments. It uses as an example a disabled person who makes $10,000 a year. That person will pay $2,000 in taxes and no longer collect $6,000 in support benefits, a savings of $8,000.

Job Service Keeping Tabs on Persian Gulf Employment

U.S. workers expecting to cash in on the rebuilding of Kuwait will likely come up empty, unless they are trained in a highly technical field. However, the U.S. Department of Labor is encouraging interested individuals to contact their local Job Service office.

Job vacancies in the Persian Gulf are being included in the Interstate Job Bank, a nationwide listing of job openings distributed throughout Job Service offices and shared with selected libraries and college placement offices. In addition, employers and workers wanting to register with Job Service will be assigned a special code (PG), designating their interest in the Persian Gulf.

Only a few job openings in the Persian Gulf are currently listed in the Interstate Job Bank and those require specialized skills. Most labor-intensive jobs are expected to be filled from workers in the Pesian Gulf area.

HHS Releases Poverty Level Guidelines

The U.S. Department of Health and Human Services has released its poverty income guidelines for 1991. Poverty levels went up by an amount equal to the increase in the 1990 Consumer Price Index, which increased 5.4 percent.

The poverty level, along with the Lower Living Standard Income Level, are two means used to determine whether individuals meet the "economically disadvantaged" standard for programs such as the Job Training Partnership Act (JTPA). Programs using poverty levels may use "administrative" or "statistical" defintions of income, which differ and include various exclusions.

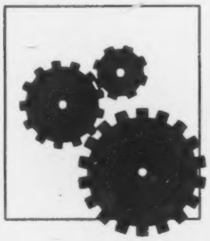
Size of Family Unit	Poverty Guidlines
1	$6,620
2	8,880
3	11,140
4	13,400
5	15,660
6	17,920
7	20,180
8	22,440

Beg Your Pardon

There were several errors in a story on the 1990 census in the March 1991 *Arizona LMI Newsletter*. The city of Peoria was omitted from a table that had the state's "Top 10 Places by Numerical Increase." Peoria, which gained 38,477 residents between 1980 and 1990, recorded the seventh-largest increase, just behind Scottsdale (41,447) and ahead of Tempe (34,945). In relation to the omission, the article should have said the city of Gilbert had the ninth-largest numerical increase, instead of eighth, and that Bullhead City had the 11th largest numerical increase instead of 10th. Also, the article said Arizona's resident-based population increased 35.3 percent between 1980 and 1990, when in fact it increased 34.9 percent. The 35.3 percent increase was for the state's apportionment population total, which included about 12,000 military personnel overseas.

McDonnell Douglas Has Up, Down Month; Gore Expects to Add 200 Positions

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.



MANUFACTURING — Taking a cue from its primary product, **McDonnell Douglas Helicopter Co. of Mesa** has had its ups and downs the past month. In late March the East Valley manufacturer announced it would **gain 450 jobs through the transfer of work** from McDonnell Douglas' helicopter facility in Culver City, Calif. Then in early April the company learned it lost out to the team of Sikorsky Aircraft Co. and Boeing Helicopter Co. in a bid to build the next generation of Army helicopter — a contract expected to be worth $34 billion. Partly because of the contract loss, **McDonnell Douglas then announced in mid-April plans to lay off 250 workers** at its Mesa facility and 100 at its Culver City plant.

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Plaskolite Inc., an Ohio-based plastics manufacturer, has **opened a warehouse and manufacturing facility** in Phoenix, 601 S. 54th Ave. Employment at the plant, which will make plumbing and building materials as well as acrylic and styrene sheeting, is projected at 30 by the end of the year.

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W.L. Gore's manufacturing facility in Flagstaff is expected to **add 200 positions** within the next two years. Gore received zoning approval to expand its Flagstaff operation, which makes medical replacement parts (e.g., veins, tissue replicas). Construction of two buildings totaling 123,000 square feet was expected to begin in April. Gore, based in Newark, Del., currently employs about 700 in Flagstaff.

—

A slowdown in the building of business and regional airline aircraft, along with the completion of several projects have led to **two separate layoffs by Garrett Engine Division of Phoenix**. In mid-March, Garrett Engine announced it would lay off 131 engineers because of contract completions, then announced a month later an industry slowdown will lead to the layoff of 400 other workers. When these two actions are complete, Garrett Engine will have reduced its workforce since last summer by 1,000 to 3,800. Other Garrett divisions in Phoenix — Auxiliary Power and Fluid Systems — eliminated jobs earlier in the year, as did Garrett subsidiary AiResearch Tucson Division.

—

In an effort to reduce costs, **Intel Corp.** is looking at leaving its north Phoenix plant (Beardsley Road and Interstate 17) and **moving into a smaller, 150,000-square-foot manufacturing facility** near the Deer Valley location. The move may also include expansion at the north Phoenix operations. Intel, based in Santa Clara, Calif., recently announced plans to build a 160,000-square-foot office and warehouse facility in Chandler, the fifth building on its East Valley campus (see "New Developments," *Arizona LMI Newsletter*, March 1991)

TRADE — A proposed merger with Smitty's Super Valu Inc. has fallen through, but **Mesa-based Mega Foods Inc.** is forging ahead with expansion plans. Mega, which has 14 warehouse-style supermarkets in Arizona (10 in the Phoenix area), is going to **build four stores in Tucson** within the next four months, along with single locations in Prescott and Nogales. Mega and Smitty's, which has 24 stores in the Phoenix area, had been negotiating since January and combined would have been the largest supermarket retailer in Arizona. Smitty's has been losing market share since the Smith's and Albertson's chains moved into the state.

—

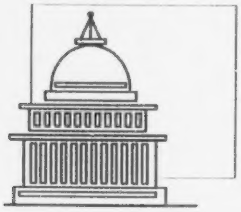
Six months after it opened its doors, the **Arizona Center** appears to be more than holding its own. And in the next few months **several new restaurants and retail stores** are scheduled to open at the downtown Phoenix retail complex, 3rd and Van Buren streets. A steakhouse will open in May, followed by three food-court businesses in the summer. A clothing store for young men and women was scheduled to open in April, and a 15,000-square-foot Lerner of New York is planning to open its doors this fall. The Rouse Co., which developed Arizona Center, is also looking at building a hotel and multi-screen movie complex at the retail center within the next five years.

CONSTRUCTION — A **group of three builders have announced a joint venture** south of Phoenix, while a **mainstay Valley developer** is thinking about **expanding on a good thing**. Looking for ways to cut costs, Homes by Polygon, Continental Homes, and Shea Homes will combine their talents to develop a 108-acre single-family subdivision on the northwestern corner of 48th Street and Chandler Boulevard near Ahwatukee. Meanwhile, Del Webb Corp. is mulling over adding 900 acres to the northern boundary of its Sun City West retirement community in the northwest Valley that would bring in an additional 4,500 to 6,000 residents. Sun City West, which currently has 19,000 residents, was expected to grow to 25,000 people.

—

The Valley's seventh-largest homebuilder, **Emerald Homes L.P.**, may not be that for long. Emerald, which sold 375 homes in

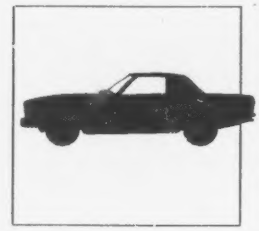
Arizona last year, says it **lost $30 million in 1990**. Large losses from write-downs in the value of real estate holdings primarily contributed to the company's poor financial shape. The future of Emerald may depend on how the Resolution Trust Corp. disposes of several failed savings and loans, which are the home builder's major creditors.



GOVERNMENT — As part of **military budget reductions**, Defense Secretary Dick Cheney announced in mid-April proposed plans **to close Williams Air Force Base in the East Valley**, eliminating nearly 4,000 military and civilian jobs. However, the state overall would only lose about 150 jobs from planned military reductions because military and civilian employees from other bases will be shifted to Luke Air Force Base in Glendale and Davis-Monthan Air Force Base in Tucson, along with Fort Huachuca in Sierra Vista, the Marine Corps Air Station in Yuma, and the Army National Guard helicopter training center in Marana. The Williams' closure, which would be completed by mid-1993, would cut out about $300 million from the Phoenix-area economy, primarily to nearby cities of Mesa, Chandler, and Gilbert. A final decision on closures will be made later this year.

A drop-off in sales taxes and slow growth is expected to force the **city of Tucson to eliminate 200 jobs this year and 100 to 200 jobs next year**, primarily through attrition and not filling vacant positions. The city of Phoenix announced earlier this year it was eliminating 300 positions (some through layoffs) due to a $22 million budget shortfall, the first reduction in force since 1982.

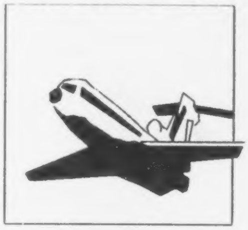
In an attempt to revitalize its downtown, the **city of Show Low** will begin **widening its Main Street** this spring and is seeking funding, possibly from the new Arizona State Parks Heritage Fund, for a proposed Tenth Street Festival Market Place and the upgrading of buildings. A recent study showed Show Low lacked specialty shops, art galleries, and boutiques in its downtown area.



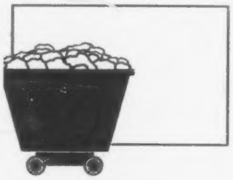
SERVICES — **The northwest Valley** will be the recipient of the Phoenix-area's **ninth Ford Motor Co. dealership**. Owned by Dans Callans, the dealership will be located at 91st Avenue and Bell Road and serve the lucrative Sun Cities' market. The auto dealer is expected to open this summer and create about 150 jobs.

Arthur Andersen & Co. plans to open a **legal-information services operation** in Phoenix by June 1 for its western U.S. clients. The facility should create about 100 jobs — 25 permanent and the rest on an on-demand basis. Litigation services is about 15 percent of the accounting firm's business in Phoenix.

FINANCE, INSURANCE, AND REAL ESTATE — **Security Savings & Loan Association of Scottsdale** became the seventh of eight failed Arizona thrifts taken over by the Resolution Trust Corp. to be **liquidated**. Security Savings' deposits were sold in mid-March to Security Pacific Bank Arizona and World Savings & Loan of Oakland, Calif. Security Pacific picked up 17 of Security's branches, while World Savings took three. Southwest Savings of Phoenix, the remaining failed thrift, is expected to be sold later this year.



TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES — **America West Airlines and Southwest Airlines** have agreed on a plan that will allow both air carriers to **build maintenance facilities at Phoenix Sky Harbor International Airport.** The two repair centers are expected to create about 2,500 jobs within the next few years. Phoenix-based America West expects to begin construction of a $48 million hangar by the end of the year that will accommodate more than 200 aircraft it has on order and employ up to 2,000 workers. Dallas-based Southwest will begin building its hangar immediately and expects to hire 200 people by mid-1992 and add another 200 a year later.



MINING — **Arizona's copper mines added 800 jobs in 1990** despite the average price of its ore falling slightly from $1.30 to $1.24 a pound. Copper-industry employment averaged 11,200 last year — still drastically down from 25,000 in 1981 — with growth occurring at new or expanded mines in Superior, Bagdad, San Manuel, Morenci, and Tucson. Major copper companies operating in the state include Phelps Dodge Corp. of Phoenix, Magma Copper Co. of Tucson, Asarco Inc. of New York, and Cyprus Minerals Co. of Englewood, Colo.

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ARIZONA LABOR MARKET INFORMATION NEWSLETTER

Vol. XV No. 6
June 1991

Unemployment Rate

Seasonally Adjusted
April*

ARIZONA	4.6%
Maricopa Co.	3.9
Pima Co.	3.2
United States	6.6

Consumer Price Index

U.S. – April 1991
Base = 1982-84

Wage Earner/Clerical Worker	133.3
% Chg. Year Ago	4.7
All Urban	135.2
% Chg. Year Ago	4.9

Phoenix – 1st Qtr 1991
Base = 1982-84

All Urban	135.2
% Chg. Year Ago	2.8

Tucson CPI No Longer Available (see May '91 *Arizona LMI Newsletter*)

* Preliminary

Rising Tide

Economic Development Agencies Look to Third Wave of Strategies to Stimulate Growth

Inside This Issue **Page**

Economic Development Agencies Take New Approach 2
Group Studying Arizona Economic Climate 3
State, Cities Need To Rethink 'Development Strategy' 3
The Arizona Labor Force in April 9
Arizona Labor Force Statistics 10
Arizona Personal Income Grows Slowly 16
New Developments 18

Public-Private Pacts Characterize New Wave of Economic Development Policies

As Arizona is currently in the process of forging an economic development plan for the future (see p. 3), it is important to understand past economic development strategies and what approaches are currently being used. The following article, reprinted in part from the October 1990 issue of *LMI Review*, a quarterly review of Washington State Labor Market Information, traces the recent history of economic development efforts in this country.

Today, state and local officials and economic development professionals find themselves in an increasingly difficult bind. On one hand, federal and state budget problems are choking off public resources available for economic development activities. On the other hand, poll after poll shows that voters hold elected officials — especially their governors — responsible for the performance of their local economies.

Fortunately, state and local economic developers across the country are in the process of inventing a new generation of development strategies that respond to these conflicting demands. These policies offer a way out: more economic impact for the public dollar. They are the emerging *Third Wave* of public economic development practices of the past half-century.

To understand this latest wave of change (still gathering force and only recently visible), it is helpful to put it in context, to examine the imprints left in the wake of its preceding waves, to see the broader revolution that has been changing the rules of the economic development game.

Until a decade ago, most economic development strategies had a single focus: recruit new plants from outside the state. How? Offer them low-cost investment locations and public financial incentives.

> *The basis of the gathering Third Wave (of economic development strategies) is a new realization: while government is responsible for assuring that its people and businesses have access to the resources necessary to pursue economic success, it does not have to be the sole supplier of those resources.*

Born in the South in hopes of luring manufacturing branch plants from the North with offers of cheap non-union labor, cut-rate land prices, and low taxes, this industrial recruitment or "smokestack chasing" strategy worked well for quite awhile. During the 1950s and 1960s, adherents in the South experienced dramatic employment and wage increases relative to the rest of the county.

As northeastern and midwestern industrial states began to feel the impact of these aggressive assaults on their manufacturing firms, they fought back with *First Wave* policies of their own. States from one corner of America to another enacted their arrays of expensive tax abatements, new job tax credits, training programs, low interest loans and other government subsidies to lower the cost of doing business. In virtually every state, doing economic development meant organizing an industrial sales force in the state's economic development agency and arming it with a menu of subsidies to lure footloose plants and back-office operations across state lines.

The reason *First Wave* development policies worked from the '50s to '70s, especially in poor states, was because at that point corporations were seeking the cheapest locations for branch plant operations that relied primarily on the use of unskilled labor. Moreover, most firms limited their searches to the continental United States.

However, by the late-'70s and 1980s, evidence was growing that *First Wave* policies were losing their effectiveness. The South's success at closing its income gap with the rest of the country crested in 1976, after which the gap started growing again. Textile mills lured from New England to the Carolinas a decade earlier collapsed or fled offshore to cheaper venues in record numbers. Manufacturing states like Michigan, Pennsylvania, and Ohio found that after the 1980-82 recession, smokestack chasing no longer provided a means to generate enough new jobs or overcome problems in their traditional industries — automobiles, steel, machine tools, rubber — that were losing both U.S. market share and jobs.

The Forces of Change

What happened? Two separate but related forces undermined First Wave policies.

The Economy Went Global. First, America was forced to participate more fully in the international economy. National boundaries became much less important in economic decisions. Whereas in 1960 only 20 percent of U.S.-produced goods faced foreign competition, by 1980 more than 70 percent were fighting off international competitors. Dramatic decreases in transportation and communication costs made it easier to ship existing production technologies to wherever the cheapest available workforce lived. Companies looking for cheap, unskilled labor and low-cost locations were no longer confined to the United States. As inexpensive as rural Mississippi or some Sunbelt locale might be, Mexico was cheaper, and Sri Lanka cheaper yet. No matter how large their incentives or low their wages and taxes, U.S. communities could no longer compete as the lowest-cost location for production.

Technology Got Sophisticated. Even while Third World nations were threatening U.S. markets with bargain goods, some industrialized European and Asian competitors were challenging us with higher

(Continued on page 6)

Arizona Studies Options to Improve Economic Climate

Economic development — the buzz word of the '90s. Anywhere you go in Arizona (or most other states), the topic of conversation seems to be economic development. Walk into a Valley barber shop and talk turns to high rises and employment instead of gossip and the weather. Fans attending an Arizona sporting event are more likely to chat about industry clusters or strategic assessment than football huddles or game strategy.

And during the coming months — as Arizona prepares to make major policy decisions that will affect the state's future economic climate — those magic words will become as common place in the lexicon of residents as cactus and Grand Canyon. These decisions, mandated by state legislation, will come after years of haphazard development and infighting among Arizona cities trying to lure businesses with little concern about the overall implications — economic and esthetic — to surrounding areas and the state.

In 1989, after seeing how special deals and intrastate competition were hurting, not helping, economic development efforts (plus losing out on major projects like the supercollider), the state enacted the Omnibus Economic Development Act. The law empowered the Arizona Department of Commerce to assess the state's business climate and develop a blueprint for strategic economic development.

Prior to the law's passage, however, a statewide non-profit organization supporting business development, the Enterprise Network, had already started designing a strategic plan. So, the Commerce Department decided to pool its resources and form a public-private partnership with the Enterprise Network and the state's three major economic development groups — the Arizona Economic Council, Greater Phoenix Economic Council, and Greater Tucson Economic Council. The result was ASPED, or Arizona Strategic Planning for Economic Development.

Subsequently, ASPED selected SRI International of Menlo Park, Calif., to lead several other research organizations — Arizona State University's Morrison Institute, DRI/McGraw-Hill, and Landry & Associates — in helping develop a comprehensive, long-term economic development strategy for Arizona. And then it was decided to break the process into three stages.

Phase I, called Strategic Assessment, which began in November and was recently completed, called for analysis of Arizona's economic strengths and weaknesses; identification of competing, complementary, and interdependent industry groups (clusters); and determination of economic foundations (e.g., skills of workforce, available capital) that support the clusters' development. In February, a 200-page draft report of the group's findings, called *Arizona At The*

COMMENTARY

State, Cities Need to Change Vision of 'Development'

Recently, there has been a flurry of media and political attention given to economic development in Arizona. This activity isn't restricted to this state; it's occurring, more or less simultaneously, in every state that experienced significant employment growth or loss during the past 20 to 30 years.

What's behind this frenzy of activity?

Arizona recognizes that it's losing an economic battle with other states and countries to attract business. Of late, Arizona's growth has come from low-paying jobs in the service-producing sectors and this realization is fostering controversy over the method of solution. A consensus of the method of choice hasn't been reached yet, but two recent economic development events demonstrate the differences between the old strategy and a new approach.

This article has one goal: to help distinguish between a significant economic-development event and an event that was "development" in appearance only. So, I ask the reader now and at the end of this article to choose which of two recent events in Arizona has the greater significance: (a) acquisition of a firm creating 600 jobs supporting credit card processing or (b) Arizona State University's acquisition of physicist Ernst Bauer, inventor and possessor of two of five, low-energy electron microscopes.

Economic Development History

Prior to World War II, Arizona's economy was based on agriculture and mining. During the war, military installations were attracted by the state's huge tracts of unpopulated land. These military bases in turn attracted a defense industry to support them as well as other military installations in the nation. Motorola was one such company and is currently Arizona's largest private employer.

After the war, many former military personnel remained. Others were attracted by the climate (and summer-cooling devices), low costs, and the availability of jobs due to the growth that had transpired. The post-war 1950s brought a boom in construction, real estate, business/financial services, and retail/wholesale trade to accommodate and support the in-migration.

This same industrial group led in employment gains again in the 1980s. Growth itself became an industry. News of growth fed growth in construction, real estate, small business/financial services, and trade for 30 years. Arizona was one of the population-growth leaders during this 30-year period.

A lack of planning, however, is evident from this last growth period. The Valley is sprinkled with many small businesses and homes, haphazardly clustered and scattered with no apparent complementary or competitive connection. A tour of the Phoenix area brings thoughts like: "The last one of those we saw was a mile ago."

Some of Arizona's other major cities provoke a similar impression. Only rarely does one encounter any form of business or industry that captures our attention and leaves an impression that it is a leading firm or industry and is supported by or competes with another firm or industry. And how about the roadways we transverse on this tour; until only about a year ago, we spoke of *the* freeway.

Metropolitan areas like San Francisco or Los Angeles instill more of a sense of reason and purpose. In these cities, we find a center involved in major capitalization, and though many miles distant, we find the high-tech manufacturing region. In between is a Stanford, University of California at Berkeley, UCLA, or California Institute of Technology, along with the many small businesses clustered near and utilized by the inhabitants of suburbs that also occur in clusters, albeit large. It isn't difficult to understand how these elements of the economy support and complement one another.

Similar, but rare and still evolving sites in Arizona are in part due to the intentional economic development efforts of the 1970s and '80s. This phase of economic development continued to rely on the attractive power of climate, low-cost land, and low-cost labor. It targeted firms, all firms, disenchanted with the economic climate of their region.

Like the people who came here in search of a job to replace the one they had lost, these firms came from the Midwest and East Coast. "Sunbelt" became a buzz word and moving to it became a trend. Little or no effort was required of Arizonans to attract new businesses. During this period, too, municipal and urban-planning were initiated to begin preventing the haphazard "urban and industrial sprawl" of Arizona's cities.

Evolution of New Strategy

The new economic development philosophy evolved out of the municipal and urban planning philosophy of the '70s. Planned communities promised home buyers a self-sufficient place to live; something like a balanced ecosystem. Advertising focused at regaining the feelings of a small-town atmosphere, combined with convenient shopping and schools, were powerful attractants to buyers.

This concept of balancing, integrating, and clustering essentials for survival within a fixed space was subsequently adopted by some industries. Here, it is best illustrated by a Phoenix-based health-

Crossroads — Strategic Assessment, was sent out for review to local economic officials with a final report expected to be released in June.

In its assessment of Arizona's economy, the preliminary report pointed out what many area officials have been saying for quite some time: while on the surface the state's economy looks positive (e.g. low unemployment rate, faster employment growth than the U.S. average), on closer scrutiny there is a "picture of a less robust, more vulnerable economy" that in the last several years has been dependent on low-paying industries for employment growth, which has led to an overall lower-standard of living.

In addition, the draft report said that as the state moves into the '90s and beyond, it will have to rely on higher productivity (e.g., more advanced skills, better use of technologies, more sophisticated entrepreneurship) as opposed to in-migration, corporate relocation, and tax-law-induced construction projects that drove the economy until the mid-'80s. Also, the report said, Arizona needs "to develop competitive clusters of industries that bring more wealth into the state and build strong linkages within the state ... ." Eight clusters of industries were identified in the preliminary report (see "State, Cities Need to Change ... ," p. 3).

Between now and November, ASPED will use Phase II (Strategic Planning Process) to identify goals, set priorities, and develop directions for a strategic economic plan for Arizona. Three simultaneous activities will be conducted to accomplish this process and create areas of consensus: 1) officials from the cluster groups will discuss their needs and objectives, 2) people from economic foundation areas that support cluster groups will consider the needs of the key industries, and 3) regional town halls and forums will be held around the state to get the general public's input.

By the end of November, ASPED will issue a final plan that will narrow the focus of the assessment into five or six major initiatives, some of which may call for special legislation (e.g., creation of a job training program). Following that, in Phase III (Implementation) will be the actual start of the plan.

Doug Henton, assistant director for SRI International's Center for Economic Competitiveness, says the final strategic plan will focus on " building stronger public-private partnerships," a new approach being taken by economic development officials in recent years (see "Public-Private Pacts ... ," p. 2). "Government doesn't have the resources to do it itself," he adds.

An example of public and private industry combining forces, Henton says, would be the co-development of a product by a university and a private company. The university may be involved with research, while a private business manufactures and markets the product. Areas within the public-private partnership that will be stressed are technology and capital-development markets, he says.

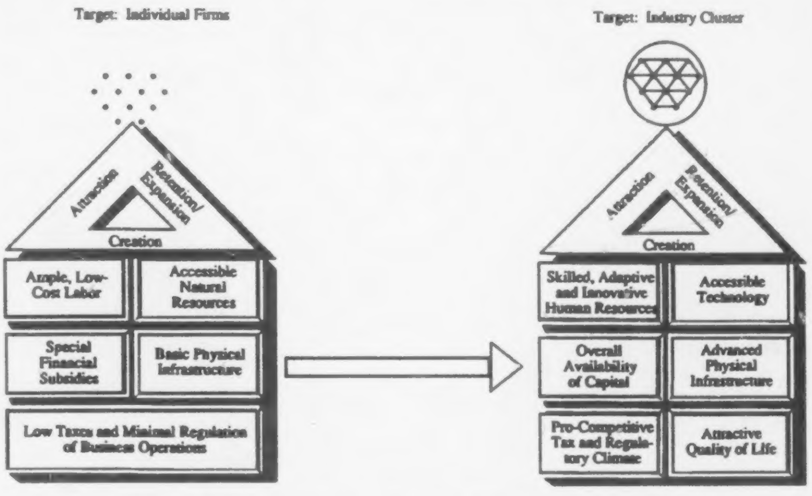
—Brent Fine
***Arizona LMI Newsletter* Editor**

service company that adapted this "cluster" concept to its needs in the early '80s.

This company defined and evaluated its business-life-sphere. It set out to vertically integrate itself. This created supply lines for patients, resources, research, and finance that extended beyond traditional in-town service areas. County and state borders were irrelevant if a necessary niche in their business-life-sphere existed elsewhere.

This firm formed partnerships in and outside of Arizona which included government, education, and the private sector. Through an urban planning partnership with city government, it surrounded its hospitals with a full spectrum of services. These, by design, were complementary, but not necessarily controlled or owned by the health-service firm. This strategy has proven to be successful for this company.

Figure 1. Economic Development Agencies Changed Their Strategy in the '80s.


Target: Individual Firms
Target: Industry Cluster
Attraction
Retention/ Expansion
Creation
Ample, Low-Cost Labor
Accessible Natural Resources
Special Financial Subsidies
Basic Physical Infrastructure
Low Taxes and Minimal Regulation of Business Operations
Attraction
Retention/ Expansion
Creation
Skilled, Adaptive and Innovative Human Resources
Accessible Technology
Overall Availability of Capital
Advanced Physical Infrastructure
Pro-Competitive Tax and Regulatory Climate
Attractive Quality of Life

Source: Arizona At The Crossroads — Strategic Assessment, Center for Economic Competitiveness, SRI International, Draft Report, February 1991

Core Industries Identified

The new economic development approach adapts this business strategy, on a larger scale, to a state's economy. The first steps in identifying Arizona's present business-life-sphere were recently taken by SRI International, a California consulting firm, which identified Arizona's core industries for the future. In its recently released strategic assessment, SRI International named the following economic clusters as the state's economic core industries:

- Information industries: electronics, computers, communications, and software
- Tourism industries: hotels, resorts, retirement communities, and film industry
- Aerospace and defense industries: aircraft, space, advanced materials, instruments
- Business services: business, financial, engineering and accounting
- Health and biomedical industries: health services, instruments and supplies, optics
- Transportation/distribution industries: air transportation, trucking services
- Mineral and mining industries: nonferrous metals and mining
- Agriculture and food processing industries: livestock, food products

The new strategy focuses on acquiring, or nurturing, existing firms (industry clusters) that supply resources to or consume the products of these industries. The strategy will be applied selectively to businesses that add wealth to the economy through the creation of quality jobs. Quality jobs occur in forms of business that utilize higher technologies or skills. Attracting quality jobs is the goal.

Recognize the complexity of integrating complementary and competitive "value-added" industries. Recognize that a partnership of political and business forces is a challenge. But don't get lost in the enormity and complexity of this undertaking, because it's really quite simple.

The new economic development philosophy is founded in simple human bonding and biosphere concepts: (1) people who need people for survival and (2) businesses that need businesses for support and competition to maintain a balanced — but evolving and prosperous — economy. It means defining and evaluating Arizona's business-life-sphere, then acquiring or growing the missing elements and nurturing the foundational elements we already have.

The past 30 years of unplanned economic development have proven that growth and prosperity don't always follow the same course. Arizona's real per-capita personal income (PPI) has always been lower than U.S. real PPI, although there have been substantial periods of convergence. And the gap between Arizona's per-capita income and U.S. per capita income is presently increasing (see "Arizona Income Growth ... ," p 16). The reason for this is that our employment growth has been predominantly in lower-pay, lower-skill jobs. We grew up, but we failed to mature. This new strategy is focused on maturation.

The increasing disparity between our wealth and the U.S. average directly affects quality of life. The historical attractant to Arizona is losing power as the state becomes poorer relative to the rest of the country.

International economic dependence is breaking down political barriers. State and even national borders have less relevance today. Businesses that serve only Arizona are in a less-competitive position. Low-paying assembly and manufacturing jobs will likely suffer cutbacks if the U.S.-Mexico Free Trade Agreement passes. (As of late May, an agreement appeared likely.)

The affected firms may find themselves faced with changing their product lines to remain solvent. And, if these firms fail, Arizona will need to find replacement firms. In either case, the individual, the firm, and the public will need to make decisions concerning the fate of workers. Will the firm or the public support retraining or will these people just be left to their own resources?

Also, the effect of reduced defense spending is a question mark. Many of Arizona's high-tech manufacturers, which are important to Arizona's future gains in quality jobs, are dependent on defense contracts. The Persian Gulf War could alter previous decisions to cut back. However, the profound changes that have occurred in Eastern Europe suggest that in the long term, defense spending will decline. The new strategy will probably favor those firms that redirect their efforts toward commercial applications. And the Midwest and East Coast companies that used to be easy targets for Arizona's economic developers have restructured, improved productivity, and are now more successfully competing with the world. The Sunbelt's power to attract firms from these historical sources of new jobs has lost some its edge.

Finally, in Arizona, low-cost labor means low-skilled labor. Because this is known to out-of-state employers, it is not an advantage in attracting higher technology industries. A perception that Arizona lacks a high-skill labor pool has been the deciding factor against a decision to move here for some firms.

600 Low-Paying Jobs or One Scientist

The legislation that made Arizona more attractive to credit card processing centers was motivated by the old philosophy that all job creation is good. In fact, the addition of these jobs adds incrementally to the pool of low-cost, low-skill labor that already exists in overabundance.

This kind of indiscriminate job creation just contributes to making Arizona poorer. And in what way is this form of business complimentary to our existing economic structure? How does it support other forms of business? How does it enhance our financial sector where the weakness is major capitalization?

The low-energy electron microscope supports research and commercial applications in the fields of supercomputers, superconductors, physiology, and medicine. Our proximity to the electronics industry in California and our possession of this technology translates into an attractor of high-skill, high-pay jobs. The industries that this machine supports are clearly some of those recommended for the future. The presence of Ernst Bauer translates into attraction of the "best and brightest" students and scientists.

Attraction of Doctor Bauer is an example of holistic economic development. Going after credit card processing companies is an example of traditional "job-chasing" economic development. The multiple benefits derived from a single holistic economic development event are compelling reasons to embrace this new strategy. The strategy will likely be viable, though, only in an atmosphere of government and business cooperation and collaboration.

—Chris Hedin
Labor Market Information Supervisor

Economic Development Policies Begin Shift in '80s

(Continued from page 2)

quality goods. In some cases, better organized workers or production processes produced the higher quality. But in many other countries — especially Japan and Germany — better product development was also related to the sophisticated use of new computer-based information technologies.

As more and more companies in Asia, Europe, and the United States were demonstrating, you could still lead in goods and services production in the face of Third World low-wage competition. But to do so required the ability to customize previously mass-produced products with better quality to satisfy niche markets. This, in turn, generated a growing demand for more educated workers and technology capabilities. These resources were not central to most *First Wave* strategies.

Along with these changes, states also began to focus on where their jobs were coming from. New studies revealed that recruitment ranked a distant third as a source of new jobs. Instead, existing-firm expansions and start-up businesses were creating 80 to 90 percent of new jobs in most states. At best, recruited companies were producing the 10 to 20 percent remaining — and in many states with aggressive recruitment policies, it had fallen to less than 10 percent.

Indeed, MIT researcher David Birch, in his pivotal paper, "The Job Generation Process," documented that growth-oriented small businesses — not the target of recruitment efforts — were the leading source of job creation in this country. His finding was verified by the Brookings Institute and the Small Business Administration, among others.

As governors consulted with state business leaders about how to respond to these new forces, they began to hear a new set of concerns. They heard that key economic competitors — primarily Japan and West Germany — were now beating the United States, but not by virtue of low cost. They were beating domestic firms on dimensions that were increasingly more important in international competition: workforce quality, access to technology, capital availability for modernization and new product development, market intelligence, and other opportunities.

Gradually, state policy-makers realized a new economic truth. It was no longer enough for the U.S. enterprise to be free, though that was still essential. It now also had to be competitive. Case in point: it had not mattered 20 years earlier if 20 percent of General Motors' workers were functionally illiterate — because 20 percent of Ford's and Chrysler's couldn't read either. But when Japan emerged a major competitor and 100 percent of the Toyota City workers could read, U.S. firms found themselves at an important competitive disadvantage.

The Second Wave Is Born

As the 1980s unfolded, a *Second Wave* of economic development policy began to take shape. What changed was focus. Development practitioners no longer gazed outside state borders, they concentrated on homegrown or indigenous economic development activity. States began to realize that to help their existing firms and attract new investment, the production inputs in the local economy — a skilled workforce, risk capital, available technology, sophisticated management information, and modern telecommunications — would have to be world-competitive in quality and cost. State government's new role was to ensure that their resources or competitive capacities were available.

States began fashioning a rich variety of experiments in *Second Wave* capacity-building. Dozens of states launched public programs to: close the capital gaps discovered in state financial markets, modernize small- and medium-size manufacturing firms, accelerate the development and transfer of new technologies from university to business, improve worker skills, equip entrepreneurs with management information to support higher rates of new business information and growth, and actively encourage exporting.

Indeed, as the 1980s closed, a *Second Wave* action consensus had crystallized in America's state capitals. David Osborne, in his influential "Laboratories of Democracy," noted that during the '80s states had established more than 100 public investment funds and 25 public venture capital funds, and launched more than 200 programs to stimulate technological innovation.

The Corporation for Enterprise Development's 1990 Development Report Card for the States showed those figures increasing and further documented that 47 states had undertaken specific education reform measures, as well as efforts to improve the quality and productivity of their workforces. Indeed, the National Association of State Development Agencies, when it last surveyed the states about development expenditures in 1988, found that roughly two-thirds of the states reporting allocated more budget resources to strengthening in-state businesses than attracting outside businesses.

Waves of Economic Development Policies

First Wave — Born in the South during the 1950s and '60s — as a way to lure manufacturing plants from the North — the *First Wave* grew as states that lost jobs began fighting back by offering tax abatements, job tax credits, training programs, low interest loans, and other government subsidies to lure business. Began losing impact in the late '70s and 1980s.

Second Wave — Started in the 1980s as economic development agencies began focusing on boosting existing businesses and attracting new investment. To accomplish this, officials knew they had to make production inputs — skilled workforce, risk capital, available technology, and telecommunications — world competitive in quality and cost.

Third Wave — Begun in recent years — and expected to be the approach of the '90s — this policy continues the internal development aspects of *Second Wave* policies, but looks to more innovative organizational techniques (e.g., public-private partnerships) to make *Second Wave* strategies succeed.

It's not that *Second Wave* adherents have abandoned industrial recruitment. They still market themselves aggressively to outside investors. But they do so knowing that footloose plants will produce only a marginal number of new jobs. And they recruit with the knowledge that cost is no longer the strongest magnet for new investment — rather it is an economic environment rich with the human, technological, financial, and infrastructure resources that support existing firms and entrepreneurship.

The achievements of this quiet *Second Wave* revolution are significant. State after state has been bit by ongoing industrial restructuring. Those states that have cultivated homegrown enterprise and made long-term investments in their underlying competitive capacities have been able to come back from such industrial shocks. *Second Wave* public policies appear to have contributed something to these recoveries.

Responsible state officials, strongly convinced that the dramatic shift to *Second Wave* policies has given state economic development efforts the right focus, feel growing apprehension about whether state agencies can perform *Second Wave* tasks well. In state after state, policymakers privately concede that the real impact of *Second Wave* programs seems to be considerably less than the sum of their parts.

Marginal improvements in the right direction can be cited over and over again. But too often results do not seem transformational enough to reposition state and local economies to meet the new global competition. In short, more and more leaders are questioning whether the programs they have initiated are making a big enough difference.

And so debate is shifting — from what needs to be done (where the indigenous development, capacity-building consensus is quite firm), to how to do it effectively. In fact, even as capacity-building policies establish a positive record, four serious limitations that restrict their impact are emerging.

Scale is lacking. Most state indigenous development efforts lack the scale needed if local business practice is to attain global standards. For example, most states, recognizing that seed and venture capital are critical to the creation of new firms and the development of new products, have created special funds to fill gaps in the availability of venture and seed capital. Yet, for the most part, these funds rarely exceed $5 to $10 million. Compared to the hundreds of millions of dollars a state's businesses may need in any given year, the funds are a drop in the bucket.

Similarly, state efforts to improve workforce skills typically center on short-term training for a few thousand people a year. Yet workforce experts predict that every American worker will need retraining at least once or twice during his or her career with continual skill upgrading.

Service is fragmented. The *Second Wave*, zealous in covering every capacity need, wants for an important component of effective service. *Second Wave* effort is fractured, according to those capacity needs, with a separate program addressing each one. One program helps train workers, but is out of touch with the latest technology applications. Another helps identify practical ways to apply new technologies, but disclaims any knowledge of responsibility for capital availability to finance new equipment.

Programs lack accountability. Second Wave programs typically are not accountable to their customers. Few states, if any, accurately measure the performance of individual programs, much less their collective performance. So it is difficult to tell what has worked, or to learn from what has not.

A link is missing. Second Wave strategies still short-shrift the link between economic and social concerns. Established economic development approaches generally embody the perspective that all boats will be lifted by a rising economic tide. They often do not reach the people most in need. The 1980s proved that social and economic inequalities can grow during periods of economic expansion. Separating social issues from the economic development agenda serves only to exacerbate the situation.

The Third Wave Emerges

Growing awareness that state governments must invent new organizational approaches to make *Second Wave* policies truly effective has set off a *Third Wave* of experimentation in the states. The basis of the gathering *Third Wave* is a new realization: while government is responsible for assuring that its people and businesses have access to the resources necessary to pursue economic success, it does not have to be the sole supplier of those resources.

> *"The transition from the second to the third wave, by contrast, involves important changes in organization: policy continues to focus on internal development, but new organizational approaches are used to pursue that objective."*
>
> *—Scott Fosler,*
> *Committee for Economic Development*

Scott Fosler, vice president of the Committee for Economic Development, describes the progression succinctly: "The transition from the first to the second wave was largely a change in policy: states expanded their focus beyond industrial recruitment to encompass the internal development of the entire state economy.

"The transition from the second to the third wave, by contrast, involves important changes in organization: policy continues to focus on internal development, but new organizational approaches are used to pursue that objective."

Examples of the burgeoning state efforts to create *Third Wave* governance approaches abound. Most of these initiatives incorporate the decentralization pioneered to make *Second Wave* efforts more effective. And most move away from government as sole service provider, instead using limited government finances and authority to engage other public and private institutions in meeting development needs.

Virtually all the *Third Wave* initiatives are still too new to assess their long-term effectiveness. Despite that, and even though they differ widely, we can now identify a set of principles around which states are constructing their *Third Wave* experiments.

Demand drives them. Government resources are appropriately dedicated only if what they produce is valued by the intended beneficiaries. Real demand must exist, whether it's small business' need for management information, manufacturers' desire for new technology, or workers' insistence on practical retraining opportunities for real jobs. *Third Wave* governance posits that such demand is best verified when the intended beneficiaries must invest some of their own time or resources in order to obtain the desired service.

Indiana, Michigan and Ohio recently launched manufacturing network initiatives that exemplify this. Groups of private manufacturers in these states have the primary responsibility to define their common competitive needs, like improved worker training, process modernization or new market identification. Only after sector-specific networks have defined these service needs and have agreed to invest significant energy and resources in them, will the state agree to invest.

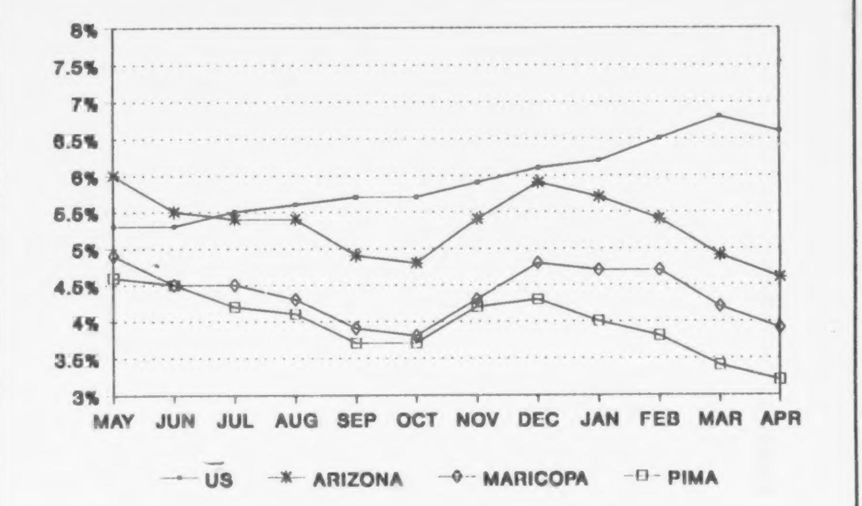
The leverage resources. The Great Lakes' state networks make another point. As already stated, government resources are virtually always inadequate to meet the scale of the development challenge at hand. To fully meet the true capacity demand, other institutions must dedicate their resources. *Third Wave* governance uses leverage and engagement techniques to attract private non-profit and for-profit, as well as non-agency public resources. This can move public agencies toward abandoning their direct supplier role in favor of approaches that encourage other organizations to commit their resources to supply the good or service in demand.

For example, Pennsylvania's Ben Franklin

(Continued on page 15)

The Arizona Labor Force in April

Figure 1. **U.S., Arizona, Maricopa County,and Pima County Unemployment Rates, May 1990-April 1991**



Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration

Arizona's unemployment rate continued its downward trend in April, falling to 4.6 percent, the fourth-straight monthly drop and the lowest rate since September 1984 when it was 4.5 percent. Maricopa County's rate was similarly low, dropping to 3.9 percent, its lowest level in six months. And Pima County's April rate, at 3.2 percent, was at its lowest level in 22 years, equaling the jobless rate of December 1969.

Reasons for Arizona's declining unemployment rate include a greater-than-seasonal shrinkage of the unemployed (down 5,700 when a 3,700 drop in April has been average for the last eight years) and the rapid growth of total employment (up 15,000 over March).

Unfortunately, wage and salary job growth was not consistent with total employment growth (wage and salary workers, plus self-employed, agricultural, unpaid family, and private household workers). In fact, Arizona lost 1,200 payroll jobs in April when gains of 6,400 are seasonally normal. Continuing weakness in manufacturing and construction, and added weakness in wholesale trade, services, FIRE (finance, insurance, and real estate), and state and local government caused the payroll employment loss.

Divergence between total employment and wage and salary jobs also occurred at the national level. BLS Commissioner Janet Norwood cautioned Congress to be wary of the April total employment estimates until they are supported by at least a second month of upward direction, because sampling error — not reality — may have caused the divergence.

Government was the biggest contributor of payroll job losses in April after posting an unseasonally high gain in March. While March's gain was concentrated among universities, April's losses were among schools of all levels. Government lost 900 jobs in April when a gain of 500 is the April average over the last eight years. In March, government gained 4,600 jobs when 2,300 is normal.

Trade had the second-greatest loss in April — down 600 from March — with 500 of these coming in wholesale trade, which has a strong link to manufacturing, construction, and agriculture. Although retail trade lost only 100 jobs, a 900 gain has been the average for April over the last eight years. Similar weakness was indicated in trade industries nationwide.

Automotive trade was most responsible for the decrease in Arizona retail trade employment, posting a 500 drop. Although automotive sales have been weak nationally for the last several months, car manufacturers recalled 15,000 laid-off workers in April because demand had sufficiently drawn down inventories. Hopefully, May car sales in Arizona will lend credibility to Detroit's optimism.

Although Arizonans haven't been buying cars like gangbusters, they must have been eating out more. Eating and drinking places posted a 700 gain in April, 500 more than the eight-year average. April was the third-consecutive month restaurant and bar employment set a record, achieving a level of 110,400.

The services sector didn't lose employment in April, but its anemic gain of 500 measured against its average April gain of 3,600 over the last eight years is testimony to its relative weakness. While lodging services had near-normal seasonal gains (200), business services posted half-average April gains (400), and health services lost 400 jobs. Nevertheless, total services employment achieved a record level in April (421,100) as did two components, lodging services (45,800) and business services (80,100).

Finance, insurance, and real estate (FIRE) held steady at 95,300 jobs in April. Posting no gain in a month when a 600 gain is average, FIRE is mired in the same quicksand bogging down the construction industry — S&L failures and an overbuilt market. FIRE employment is down 900 from its peak level in December 1987.

Despite repeated efforts by the Federal Reserve to spur the economy through the lowering of interest rates, only modest success has been achieved with little noticeable effect in Arizona. Nationally,

(Continued on page 14)

Arizona Labor Force and Employment

April 1991 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				Amount Change					Amount Change					Amount Change	
	Apr.* 1991	Mar. 1991	Apr. 1990	Mar. - Apr.	1990 - 1991	Apr.* 1991	Mar. 1991	Apr. 1990	Mar. - Apr.	1990 - 1991	Apr.* 1991	Mar. 1991	Apr. 1990	Mar. - Apr.	1990 - 1991
TOTAL CIVILIAN LABOR FORCE**	1716.5	1707.2	1728.0	9.3	-11.5	1067.1	1059.7	1074.8	7.4	-7.7	317.9	314.4	315.1	3.5	2.8
Total Unemployment	76.8	82.5	91.8	-5.7	-15.0	41.2	44.6	46.8	-3.4	-5.6	9.9	10.8	13.1	-0.9	-3.2
Unemployment Rate	4.5%	4.8%	5.3%	—	—	3.9%	4.2%	4.4%	—	—	3.1%	3.4%	4.2%	—	—
Unemployment Rate (Sea. Adj.)***	4.6%	4.9%	5.6%	—	—	3.9%	4.2%	4.5%	—	—	3.2%	3.4%	4.3%	—	—
Total Employment	1639.7	1624.7	1636.2	15.0	3.5	1025.9	1015.1	1028.0	10.8	-2.1	308.0	303.6	302.0	4.4	6.0

Note: Above Labor Force Statistics Should Not Be Used for Economic Assistance Programs.

NON-AGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
	Apr.* 1991	Mar. 1991	Apr. 1990	Mar. - Apr.	1990 - 1991	Apr.* 1991	Mar. 1991	Apr. 1990	Mar. - Apr.	1990 - 1991	Apr.* 1991	Mar. 1991	Apr. 1990	Mar. - Apr.	1990 - 1991
TOTAL WAGE AND SALARY	1526.0	1527.2	1494.9	-1.2	31.1	1001.7	1003.6	985.8	-1.9	15.9	262.9	262.3	255.1	0.6	7.8
Manufacturing	181.4	181.7	183.7	-0.3	-2.3	135.3	135.5	137.5	-0.2	-2.2	25.8	25.9	26.0	-0.1	-0.2
Durable Goods	135.6	136.0	139.1	-0.4	-3.5	102.8	103.1	105.7	-0.3	-2.9	20.1	20.2	20.4	-0.1	-0.3
Stone, Clay, and Glass	6.3	6.4	6.7	-0.1	-0.4	3.6	3.7	4.0	-0.1	-0.4					
Primary and Fabricated Metals	14.2	14.2	14.1	0.0	0.1	9.8	9.7	9.5	0.1	0.3					
Primary Metals	6.3	6.3	6.2	0.0	0.1										
Fabricated Metals	7.9	7.9	7.9	0.0	0.0										
Machinery	57.5	57.9	59.9	-0.4	-2.4	47.6	47.9	50.0	-0.3	-2.4					
Aircraft and Missiles	26.5	26.7	26.8	-0.2	-0.3										
Lumber and Wood Products (Excluding Furniture)	6.3	6.1	6.6	0.2	-0.3										
Nondurable Goods	45.8	45.7	44.6	0.1	1.2	32.5	32.4	31.8	0.1	0.7	5.7	5.7	5.6	0.0	0.1
Food and Kindred Products	10.4	10.2	9.6	0.2	0.8	7.3	7.1	6.7	0.2	0.6					
Printing and Publishing	17.0	17.1	16.9	-0.1	0.1	11.9	12.0	12.0	-0.1	-0.1					
Mining and Quarrying	12.8	12.8	12.2	0.0	0.6	0.7	0.7	0.8	0.0	-0.1	2.3	2.3	2.1	0.0	0.2
Copper Mining	10.3	10.2	9.6	0.1	0.7										
Construction	77.2	77.0	80.9	0.2	-3.7	49.7	49.6	54.0	0.1	-4.3	15.0	14.8	14.5	0.2	0.5
Trans., Communications, & Public Utilities	81.8	81.9	81.9	-0.1	-0.1	58.0	58.0	58.0	0.0	0.0	9.4	9.4	9.2	0.0	0.2
Transportation	46.3	46.3	45.0	0.0	1.3	35.1	35.0	33.9	0.1	1.2	4.9	4.9	4.7	0.0	0.2
Communications and Public Utilities	35.5	35.6	36.9	-0.1	-1.4	22.9	23.0	24.1	-0.1	-1.2	4.5	4.5	4.5	0.0	0.0
Trade	378.8	379.4	368.0	-0.6	10.8	254.9	255.8	246.4	-0.9	8.5	60.8	60.7	59.6	0.1	1.2
Wholesale Trade	77.0	77.5	74.6	-0.5	2.4	61.3	61.7	59.7	-0.4	1.6	7.6	7.5	7.6	0.1	0.0
Retail Trade	301.8	301.9	293.4	-0.1	8.4	193.6	194.1	186.7	-0.5	6.9	53.2	53.2	52.0	0.0	1.2
General Merchandise and Apparel	47.4	47.4	45.9	0.0	1.5	29.0	28.9	27.9	0.1	1.1	8.7	8.7	8.3	0.0	0.4
Food Stores	50.5	50.6	48.6	-0.1	1.9	31.8	32.0	30.6	-0.2	1.2	8.9	8.9	8.4	0.0	0.5
Automotive and Service Stations	34.1	34.6	34.5	-0.5	-0.4	21.3	21.6	21.3	-0.3	0.0	5.4	5.5	5.6	-0.1	-0.2
Eating and Drinking Places	110.4	109.7	106.6	0.7	3.8	72.0	71.8	68.8	0.2	3.2	19.6	19.5	19.1	0.1	0.5
Finance, Insurance, and Real Estate	95.3	95.3	94.6	0.0	0.7	76.0	76.1	74.9	-0.1	1.1	11.7	11.6	12.3	0.1	-0.6
Services and Miscellaneous	421.1	420.6	406.8	0.5	14.3	284.7	284.8	277.7	-0.1	7.0	77.8	77.6	73.9	0.2	3.9
Hotels and Lodging Places	45.8	45.6	45.0	0.2	0.8	28.7	29.1	28.3	-0.4	0.4	6.7	6.8	6.8	-0.1	-0.1
Business Services****	80.1	79.7	78.0	0.4	2.1	63.8	63.5	63.1	0.3	0.7	11.5	11.4	10.7	0.1	1.8
Health Services	103.8	104.2	100.6	-0.4	3.2	67.0	67.4	65.6	-0.4	1.4	22.8	22.8	21.4	0.0	1.4
Government	277.6	278.5	266.8	-0.9	10.8	142.4	143.1	136.5	-0.7	5.9	60.1	60.0	57.5	0.1	2.6
Federal	45.8	45.6	47.5	0.2	-1.7										

* Preliminary

** Labor force, unemployment, and employment are reported by place of residence.

*** Normal seasonal variations have been eliminated to reflect underlying economic trends.

**** Business Services undergoes a series break between December 1987 and January 1988 as a result of the 1987 SIC realignment.

Note: Presented by the Arizona Department of Economic Security, Research Administration, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Non-metropolitan Counties
Labor Force and Employment
April 1991

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,550	35,350	45,325	12,950	8,225	3,275	5,450
Total Unemployment	1,650	2,275	2,375	975	475	175	325
Rate	11.3%	6.4%	5.2%	7.5%	5.8%	5.3%	6.0%
Rate (Seas. Adj.)**	13.6%	6.3%	6.4%	7.5%	6.1%	5.4%	6.6%
Total Employment	12,900	33,075	42,950	11,975	7,750	3,100	5,125

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	15,500	26,200	43,425	11,650	5,525	3,325	4,100
Manufacturing	450	1,025	3,400	1,425	225	25	275
Mining & Quarrying	25	100	100	1,300	0	1,900	75
Construction	475	850	1,525	675	150	250	300
T.C.P.U.	1,950	1,650	3,025	500	150	50	125
Trade	1,500	5,200	10,225	2,400	1,600	300	1,375
F.I.R.E.	475	650	825	300	125	25	150
Services & Misc.	5,225	4,975	11,100	2,325	900	175	900
Government	5,400	11,750	13,225	2,725	2,375	600	900

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,525	27,875	38,200	11,650	41,625	48,450
Total Unemployment	2,025	2,475	2,500	1,025	1,825	7,600
Rate	5.3%	8.9%	6.5%	8.8%	4.4%	15.7%
Rate (Seas. Adj.)**	5.4%	9.9%	6.7%	13.3%	4.4%	14.6%
Total Employment	36,500	25,400	35,700	10,625	39,800	40,850

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

TOTAL WAGE AND SALARY	28,200	22,075	31,200	11,550	29,475	29,325
Manufacturing	2,525	2,050	3,450	1,000	2,350	2,100
Mining & Quarrying	50	1,225	4,000	25	1,000	50
Construction	2,800	750	775	275	2,350	1,325
T.C.P.U.	1,325	1,525	1,075	775	1,100	1,125
Trade	8,375	4,075	5,625	5,475	7,975	9,000
F.I.R.E.	1,450	450	775	275	1,025	1,025
Services & Misc.	7,000	5,525	4,950	1,850	7,350	6,350
Government	4,675	6,475	10,550	1,875	6,325	8,350

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Apr.* 1991	Mar.** 1991	Apr. 1990	Apr.* 1991	Mar.** 1991	Apr. 1990	Apr.* 1991	Mar.** 1991	Apr. 1990
Manufacturing	419.69	424.85	405.82	40.2	40.5	40.3	10.44	10.49	10.07
Aircraft & Missiles	653.84	655.27	613.36	45.5	45.6	44.0	14.37	14.37	13.94
Food & Kindred Prod.	359.46	367.06	335.23	39.2	39.3	39.3	9.17	9.34	8.53
Primary Metals	513.22	501.55	461.55	39.6	38.7	36.4	12.96	12.96	12.68
Machinery	387.09	399.40	366.28	39.1	40.1	37.8	9.90	9.96	9.69
Copper Mining	661.70	657.41	594.51	44.8	44.3	44.3	14.77	14.84	13.42
Construction	444.38	439.56	432.61	37.5	37.0	36.6	11.85	11.88	11.82
Utilities	744.33	745.20	769.05	43.0	43.2	44.3	17.31	17.25	17.36
Retail Trade**	260.76	258.07	260.57	31.8	31.9	32.9	8.20	8.09	7.92
Wholesale Trade	406.56	400.90	383.13	38.5	38.4	38.7	10.56	10.44	9.90

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Apr.* 1991	Mar.** 1991	Apr. 1990	Apr.* 1991	Mar.** 1991	Apr. 1990	Apr.* 1991	Mar.** 1991	Apr. 1990
Manufacturing	441.72	448.54	423.39	40.9	41.0	40.4	10.80	10.94	10.48
Construction	477.22	468.07	455.22	38.3	37.9	36.8	12.46	12.35	12.37
Retail Trade**	274.23	269.89	269.58	32.3	32.4	33.2	8.49	8.33	8.12
Wholesale Trade	434.72	434.71	404.30	38.1	38.3	38.8	11.41	11.35	10.42

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	Apr.* 1991	Mar.** 1991	Apr. 1990	Apr.* 1991	Mar.** 1991	Apr. 1990	Apr.* 1991	Mar.** 1991	Apr. 1990
Manufacturing	399.12	398.56	344.28	39.4	39.5	35.9	10.13	10.09	9.59
Construction	388.41	388.75	378.43	36.3	35.6	35.6	10.70	10.92	10.63
Utilities	615.09	618.10	587.85	41.9	41.4	39.4	14.68	14.93	14.92

* Preliminary.

** Revised

*** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
April 1991

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,716,440	1,639,663	76,777	4.5%
Apache	14,549	12,889	1,660	11.4
Cochise	35,351	33,085	2,266	6.4
Coconino	45,327	42,942	2,385	5.3
Gila	12,946	11,978	968	7.5
Graham	8,217	7,738	479	5.8
Greenlee	3,282	3,104	178	5.4
La Paz	5,453	5,120	333	6.1
Maricopa	1,067,125	1,025,930	41,195	3.9
Mohave	38,510	36,495	2,015	5.2
Navajo	27,868	25,403	2,465	8.8
Pima	317,892	307,999	9,893	3.1
Pinal	38,221	35,711	2,510	6.6
Santa Cruz	11,646	10,629	1,017	8.7
Yavapai	41,622	39,803	1,819	4.4
Yuma	48,432	40,838	7,594	15.7

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Arizona Labor Force in April

(Continued from page 9)

the construction industry lost 20,000 jobs in April while Arizona's construction sector added 200. While the latter amount is unseasonally weak, it is the first April growth in four years. Arizona construction gains were in "general and special trades contractors" while "heavy construction," which includes road building projects, lost employment.

Finally, manufacturing, the sweetheart industry of economic developers, lost employment in April for the sixth-straight month. Down 300 jobs from March and 2,300 over-the-year, manufacturing has exhibited few signs that would offer hope for improved health in the months ahead. Most of April's losses were suffered by the high-tech components of machinery manufacturing (400) and aircraft and missiles manufacturing (200). Declining national defense budgets and overextended consumers are probably the cause.

In summary, the two programs used to measure Arizona's employment (Current Employment Statistics (CES) program and Current Population Survey (CPS)) are sending mixed signals about the current health of the state's economy. Unemployment rates and employment growth derived from the household survey (CPS) indicate these are the among the best of economic times for Arizona. The establishment survey (CES), on the other hand, reports continuing weakness in the manufacturing and construction industries as well as added weakness in the trade and services industries. Over-the-year total job growth, at 2.1 percent, still ranks Arizona high among states, but the loss of 1,200 payroll jobs in April is a setback deserving notice. However, if the index of national leading economic indicators rises a third-consecutive time, Arizona's April job retreat is probably a temporary blip and Arizona job growth will soon resume.

—Ron Simon,
RA Economic Analysis Manager

Third-Wave Policies Seek Public-Private Pacts

(Continued from page 8)

Partnership program funds a number of advanced technology centers throughout the state, basing its dollar commitments on the financial match provided by a consortium of businesses and universities. Through the end of Fiscal Year '89, $110 million in partnership funds had been matched by some $400 million in non-state support, including $260 million in private business contributions.

Competition is encouraged. To ensure that the essential, world-class quality economic resources are available and integrated to meet customer needs, *Third Wave* governance relies on competition among resource suppliers. By rejecting its old role of monopoly supplier, a government agency seeks to ensure that several private and public providers of a needed good or service will compete for the business. In essence, this is an extension of stating that *Third Wave* initiatives seek to be customer-driven.

They build in automatic feedback. To become accountable, *Third Wave* efforts seek to build in feedback loops so automatic that they bypass political wrangling or decisions about whether to evaluate. This benefit follows from the customer-driven and leverage principles. If the customer defines the need and agrees to co-invest, the line of accountability is drawn: customers' use of the service and decisions to reinvest down the line will prove or disprove the pudding. This by itself may not ensure that all of an initiative's public purposes are being met. However, if designed correctly, it can at least establish that real demand exists among intended beneficiaries, and that the marketplace believes the investment can earn a decent return.

All these principles shaping *Third Wave* governance — demand, leverage, competition and feedback — exist in functioning marketplaces. Indeed, what *Third Wave* program approaches have in common is that they go about getting some needed resource or service to the community by strengthening the operation of existing marketplaces, or by stimulating new ones. While *First* and *Second Wave* programs advanced public goals by implanting government as a sole supplier, *Third Wave* initiatives encourage markets to serve important public ends.

Third Wave initiatives seek to achieve public economic ends by empowering the consumer beneficiaries, cultivating competitive public and private suppliers, and designing new measurement, information, and reward systems. If local workers need more training, *Third Wave* efforts don't begin by establishing a public program to train them. Instead, the skill-deficient industries are encouraged to cooperatively define their training needs, thus creating effective demand. Then government can work to link the industries with private and public education service vendors that can bid for the training concession.

Public incentives may be required at the outset to induce people and institutions to think and act with each other in new ways. Those the community believes should have services, but who lack the resources to purchase them, may require subsidies to purchase services. Nonetheless, the goal is a functioning marketplace, independent of the day-to-day management by a government bureaucracy, that can provide area businesses and citizens with crucial world-class goods and services. The same holds true whether the resource in demand is education, capital, technology transfer capacity, or growth-management information.

However, as state and local governments increasingly employ *Third Wave* market-building approaches, important questions are being raised. How can government justify depending on private institutions to achieve public purposes? How can government advance critical public values such as fairness, inclusion, and equity when many of its services are delivered by private organizations, some of which are motivated solely by profit? As *Third Wave* experiments spread across the U.S., governments are being forced to find answers to these questions.

America's economic system has long operated on the assumption that free markets offer the most efficient way to produce and deliver the goods and services people want. However, even while relying on private enterprises to meet many essential needs, America has constantly reiterated the belief that markets are social creations. Their right to exist is justified by their social usefulness to the community. Well-functioning marketplaces that damage the community, such as those that produce and distribute destructive drugs or child pornography, are banned by law.

The tenet — that markets are creations of society — has served as the basic justification for citizens to work through government to regulate private markets, ensuring that their operation is consistent with public values and needs. Prescription drugs are developed and sold exclusively by private companies, but public assurance of their safety and effectiveness has been deemed essential.

Reinventing Government

The *Third Wave* is just beginning to build; we expect it will crest in the coming decade. As one might expect, the market-building activities common to *Third Wave* governance are forcing the engaged state and local agencies to restructure.

The role of government is changing. Operating less as a mass supplier of particular goods or services, public agencies are discovering the need to act more as facilitators, brokers, and seed capitalists. As the past decade has taught many excellent private corporations, traditional command-style bureaucracies cannot perform this more entrepreneurial role as well.

Efforts to reinvent the government organization itself will surely spring up across the nation as the 1990s unfold. Just as private sector organizations have had to restructure themselves to meet new global demands, so will public organizations have to adapt.

—Doug Ross,
President, Corporation for Enterprise Development; and Robert E. Friedman,
Chair of the Board, Corporation for Enterprise Development

Also contributing to this article were Mitchell Horowitz and Janet Topolsky.

Arizona Income Growth Smallest Since '82

Arizona's wage and salary employment grew significantly faster than the rest of the country in 1990 (2.5 vs. 1.6 percent), but the state didn't get much richer in the process, according to preliminary personal income figures released by the U.S. Department of Commerce's Bureau of Economic Analysis in mid-April. In fact, because of an increase in in-migration and several other factors, Arizonans lost ground economically to residents of most states and the country as a whole.

BEA data show that total personal income for Arizona households increased a modest 6.0 percent in 1990 over 1989 to $59.7 billion, while the state's per-capita personal income rose a meager 2.8 percent over the same time period to $16,297, up from $15,846 in 1989. For the country as a whole, total personal income (TPI) grew 6.4 percent in 1990, while per-capita personal income (PPI) increased 5.8 percent.

Total personal income includes: earnings by place of work[1] less personal contributions for social insurance and adjustments for residency; dividends, interest, and rent (DIR); and transfer payments. Per-capita personal income is total personal income divided by a state's resident-based population.[2]

Among all states and Washington D.C., Arizona ranked 40th in personal income growth in '90, a far cry from the early- and mid-'80s when Arizona was among the top tier of states in personal income gains (see Figure 1). In 1988 and '89, the state racked up respectable total personal income gains of 7.3 and 7.6 percent, but still well below average annual increases of 13.9 percent in the 1970s and 9.1 percent in the '80s. Overall, Arizona ranked 25th in total personal income last year and 34th in per-capita personal income, down from rankings of 24th and 31st in those respective categories in 1989.

Arizona's personal income increase also lagged its Southwest Region average gain (7.5 percent) in 1990 with the state having smaller increases than the three other states (New Mexico, Texas, and Oklahoma) in its region. The top-rated area for personal income growth last year was the Far West Region — which includes California, Nevada, Oregon, and Washington — with an increase of 7.7 percent. Not surprisingly, Nevada led all states in personal income growth at 10.7 percent, although that was down from 13.6 percent in '89.

A sluggish fourth quarter for TPI (0.8 percent gain), due primarily to a drop-off in wage and salary payroll income — particularly in the construction sector (-2.5 percent) — contributed substantially to Arizona's subpar performance in 1990. Payroll wages, which make up a major portion of TPI, increased only 0.4 percent during the final quarter, compared to gains of 1.1, 1.8, and 2.0 percent, respectively, in the first three quarters of the year. One consolation for Arizona was that the fourth-quarter slide was widespread among most states and across all industries.

A sharp decline in average annual growth of payroll wages the past two years — 4.7

Table 1. **Arizona and U.S. Per-Capita Personal Income(PPI), Actual and Real, and PPI Growth Rates, 1970-1990[1,2]**

	Arizona		Pct.	United States		Pct. of
Year	Actual	Real[3]	Increase	Actual	Real[3]	U.S.
1970	$ 3,789	$ 12,763	10.3%	$ 4,051	$13,646	94%
1971	4,071	13,138	7.4	4,296	13,864	95
1972	4,420	13,820	8.6	4,665	14,586	95
1973	4,851	14,280	9.8	5,182	15,254	94
1974	5,240	13,892	8.0	5,648	14,974	93
1975	5,408	13,138	3.2	6,073	14,754	89
1976	5,893	13,536	9.0	6,651	15,277	89
1977	6,436	13,881	9.2	7,294	15,731	88
1978	7,367	14,768	14.5	8,136	16,309	91
1979	8,318	14,975	12.9	9,033	16,262	92
1980	9,172	14,548	10.3	9,919	15,733	92
1981	10,094	14,514	10.1	10,949	15,743	92
1982	10,312	13,967	2.2	11,480	15,549	90
1983	11,053	14,504	7.2	12,098	15,876	91
1984	12,054	15,163	9.1	13,114	16,497	92
1985	12,957	15,724	7.5	13,896	16,864	93
1986	13,645	16,272	5.3	14,597	17,407	93
1987	14,369	16,532	5.3	15,424	17,746	93
1988	15,034	16,610	4.6	16,511	18,242	91
1989	15,846	16,702	5.4	17,594	18,545	90
1990p	16,297	16,297	2.8	18,685	18,685	87

Notes:

1. The 1990 figures are based on 1990 population counts which are subject to possible correction for undercount or overcount. The U.S. Departmnet of Commerce is considering whether to correct these counts and will publish corrected counts, if any, no later than July 15, 1991.

2. For years prior to 1990, the figures are based on the Bureau of the Census Mid-year Population Estimates. The 1981 to 1989 estimates have not been revised to reflect the 1990 population counts.

3. Adjusted for inflation to 1990 dollars using U.S. Consumer Price Index.

p = preliminary

Source: *Table SA2, Per-Capita Personal Income, Regional Economic Information System, U.S. Department of Commerce, Bureau of Economic Analysis, April 1991*

Table 2. Per-Capita Personal Income for Arizona Metropolitan Areas and Counties, 1988-89

	1988	1989	Pct. Change
MSAs			
Phoenix	$16,815	$17,705	5.3%
Tucson	14,387	15,203	5.7
Yuma	12,664	12,725	4.8
Counties			
Apache	$ 6,864	$ 7,406	7.9%
Cochise	11,027	11,564	4.9
Coconino	11,621	11,947	2.8
Gila	10,412	11,272	8.3
Graham	9,534	10,312	8.2
Greenlee	11,181	12,512	12.0
La Paz	12,127	12,812	5.6
Maricopa	16,815	17,705	5.3
Mohave	11,343	12,046	6.2
Navajo	8,938	9,261	3.6
Pima	14,387	15,203	5.7
Pinal	11,382	12,064	6.0
Santa Cruz	11,823	12,845	8.6
Yavapai	13,089	14,020	7.1
Yuma[1]	12,664	12,725	0.5

1. La Paz County was separated from Yuma County on January 1, 1983.

Source *U.S. Department of Comerce, Bureau of Economic Analysis, April 1991*

percent in '89 and 4.5 percent in '90, compared to annual average gains of 10.5 percent between '85 and '88 — has also contributed to a major shift in the mix of the three major components of TPI — net earnings by place of residence[3]; dividends, interest, and rent (DIR); and transfer payments.

Whereas between 1985 and 1988, net earnings by place of residence ranged between 67.1 and 67.3 percent of Arizona's TPI, in 1989 and '90 this category's share of TPI dropped to 65.2 and 64.2 percent, respectively. Conversely, DIR's share of TPI the last two years has increased to 19.5 and 19.7, respectively, compared to a range of 17.8 to 18.3 percent between '85 and '88. And transfer payments " composed primarily of Social Security, Medicaid, and unemployment insurance benefits " has seen its share of TPI jump to 15.3 percent in '89 and 16.1 percent in '90, compared to a range of 14.6 to 15.0 percent those four years.

What these figures show is that retirees, who account for the greatest share of DIR and transfer payments, are playing a larger and larger role in the state's personal income figures. (Arizona ranked third among states in DIR's proportion of TPI in '89.) Unfortunately, because retirees also tend to make less money than an average worker, the higher share of DIR and transfer payments is one signal of declining growth in TPI and PPI.

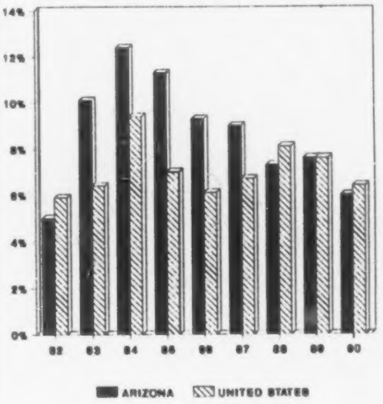
Arizona's per-capita personal income in 1990, meanwhile, fell to a somewhat alarming 87 percent of the U.S. average — the lowest amount in 22 years — down from 90 percent of the U.S. average in 1989 and 93 percent during the years 1984 through '86 (see Table 1). And when inflation is factored in, the state's real PPI declined 2.6 percent last year, compared to an increase of 0.4 percent for U.S. real PPI.[4] The last time the state had a negative real PPI was in 1982 when it dropped 3.6 percent.

Arizona's divergence from the U.S. average coincides with a widening gap in average annual pay between the state and the nation during the past few years (see *Arizona LMI Newsletter*, October 1989 and 1990). This is partially due to the growth of low-paying, service-sector jobs and decline in employment in the high-paying, goods-producing sector (e.g., manufacturing, construction).

Also slowing down per-capita personal income growth in Arizona last year was a one percentage point increase in population growth (3.1 percent) over 1989. It was the largest population rise in the state since 1987 when it increased 3.5 percent.

An interesting footnote to the state's declining growth in per-capita income, however, is that in recent recession periods (74-75 and 80-82), Arizona's percentage of U.S. per-capita income also fell. Then, when the recession ended and the goods-producing sector picked up, so did the state's percentage of the nation's PPI. Whether this will be the current recession period remains to be seen.

Figure 1. Arizona vs. U.S. Personal Income Growth Rates, 1982-90[1]



1. 1990 growth rate is preliminary.

Source: *U.S. Department of Commerce, Bureau of Economic Analysis, April 1991*

Finally, besides state data for 1990, BEA also released 1989 TPI and PPI figures for metropolitan statistical areas (MSAs) and counties. Of note in Arizona was Greenlee County's 12.0 percent rise in PPI — fueled by increases in mining wages — that far outdistanced any other county's rise in the state (see Table 2). The state's three MSAs (Maricopa, Pima and Yuma), meanwhile, all had modest PPI increases.

—Brent Fine
Arizona LMI Newsletter Editor

Notes:

1. Earnings by place of work equals wages and salaries, other labor income, and farm and nonfarm proprietorship income.
2. Per-capita personal income figures are based on 1990 U.S. census population counts which are subject to possible correction for undercount. Final corrected counts will be published no later than July 15, 1991.
3. Net earnings by place of residence equals earnings by place of work, less personal contributions for social insurance, plus an adjustment for residency.
4. Inflation as measured by the U.S. Consumer Price Index, which increased 5.4 percent in 1990.

Auto Remanufacturing Plant Proposed for Valley; Employment of 1,000 Suggested

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.

MANUFACTURING — A former Valley resident is looking at sites in the Phoenix area for a **50-acre auto ranch** to remanufacture and sell used cars. Automotive entrepreneur **Malcolm Bricklin**, who formerly lived in Scottsdale and brought the Subaru car to the United States, wants to **rebuild cars up to 10 years old**. A minimum amount of rebuilding work would include: new tires, battery, shocks, brakes, spark plugs, belts, hoses, and windshield wipers; and anti-theft devices. Bricklin expects the proposed $60 million facility — which would include a plant, sales area, and test track — to employ about 1,000 people.

It's not known if the remanufacturing plant would need to include air bags, but certainly new car manufacturers are including them in more and more models. And **TRW Inc. in Mesa** is gearing up for the expected increase in business. TRW, which makes parts for air bags, expects to see **employment increase five-fold** within five years at its Mesa facilities. Currently employing about 1,000 workers, TRW has only used about one-tenth of the 640 acres it owns in the Mesa area.

Kalil Bottling Co., which recently acquired the rights to distribute a variety of Seven-Up products in Phoenix and Tucson, has **hired 90 employees** and expects to add 40 more by July. Many of the workers will fill some of the 140 positions lost when Seven-Up Bottling Co. of Phoenix closed in April. New jobs include salespersons, fountain and vending service people, store-shelf merchandisers, and part-time loaders.

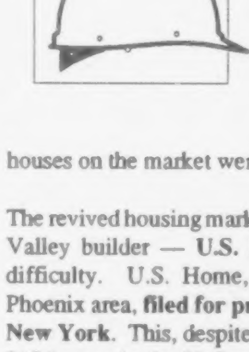
Group IX Aerospace Systems of Los Angeles is expected to **buy an Arizona sheet-metal and precision-machinery manufacturer** by the end of May, then move the operation to Huachuca City where it plans to manufacturer and repair group-support and material-handling equipment for airframe manufactures and airlines. Group IX plans to build a 50,000-square-foot facility, which will employ more than 100 workers, a majority of which will come from the purchased company.

A maker of instruments used in heating and cooling units is moving its operations from California to Phoenix. **Lakewood Instruments of Compton, Calif.**, has purchased a 25,000-square-foot building at 4857 W. Van Buren St. and expects to **employ about 50 workers** when it begins operations in September.

Stone Forest Industries has partially reopened its sawmill operation in the eastern Arizona town of Eager. Stone Forest, which laid off 400 workers when it closed its lumber plant in August, brought back one of three shifts in early April. Lack of demand and the strength of environmental groups protecting area forests, were cited as reasons for the closure.

CONSTRUCTION — The new-home market appears on the mend in the Valley as **permits for construction of single-family units jumped about 50 percent** in the first quarter of this year compared to the fourth quarter of 1990, according to two separate surveys. One analyst predicts permits for new homes to reach 12,500 this year, up from 10,614 in 1990 and 11,825 in '89. Lower interest rates, pent-up demand, and fewer repossessed houses on the market were responsible for the jump.

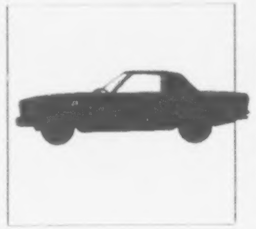
The revived housing market apparently wasn't enough to keep one Valley builder — **U.S. Home Corp.** — from major financial difficulty. U.S. Home, which has seven subdivisions in the Phoenix area, **filed for protection in U.S. Bankruptcy Court in New York**. This, despite the fact the Houston-based builder sold 213 homes in the Valley in 1990, although that was down from 349 sold in '89 and 414 in '88. U.S. Home, which has asked to reorganize, lost about $100 million in 1990.



TRADE — **The Scottsdale Galleria**, which eventually will include 165 shops, a number of restaurants, and movie theaters in its 1.3 million square feet of space, **opened in late May**. About 30 shops (40 percent of the 400,000 square feet of retail space) was expected to be ready for the opening, while 43 businesses are still under construction. The colorful Scottsdale complex, which features a four-level atrium and a musical water display, when completed will also include a 340-seat IMAX theater, a miniature golf course, a walk-through seawater aquarium, and 2,000 covered parking spaces.

Dallas-based software retailer, **Comp USA, plans to open one of 21 new "superstores" at the Chris-Town Mall** in Phoenix by the fall. The 20,000-square-foot store, which will stock about 5,000 items, is expected to employ about 70 people. Comp USA currently has 17 stores.

A voluntary severance package has been **accepted by about 200 of 1,800 eligible employees of Safeway**, the state's largest supermarket chain. The response to the plan, which offered full-time workers $7,500 and part-time workers $5,000, was expected to keep Safeway from laying off employees for the time being. Safeway has 85 stores and more than 6,400 workers in Arizona.

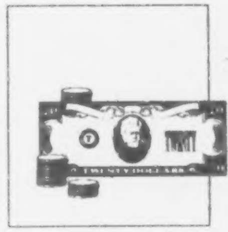


SERVICES — Phoenix-based **U-Haul International Inc.**, which laid off 100 employees at its company headquarters in April due to declining earnings, has been **awarded an exclusive contract to provide moving vehicles to Navy and Marine Corps personnel**. Military workers will be paid a cash incentive to use U-Haul vehicles in place of using a standard moving company. U-Haul, which laid off 400 workers in 1990, employs about 1,500 workers in Phoenix and 11,000 people in the United States and Canada.

The **Persian Gulf War kept visitors away from Arizona hotels and motels in the first two months of the year**, an industry analyst says. Until the war, tourism had been increasing. Statewide occupancy rates for January and February were 68.1 percent, down from 72.9 percent during the same period in 1990. The state is coming off a poor performance in 1990, when occupancies increased only one percentage point, to 63.6 percent.

The outlook for **Fast Foto Inc.**, a Phoenix-based, photo-developing franchise, doesn't look promising after it recently **requested to convert a Chapter 11 bankruptcy filing to Chapter 7**. The change was warranted because the company was unable to meeting current expenses. All but 26 of 101 Fast 1-Hour Foto locations in four states have been shut down. Serendipity Inc., a California investment group, is seeking to purchase the 26 remaining outlets, all in Arizona.

TRANSPORTATION, COMMUNICATIONS, and PUBLIC UTILITIES — The **international concourse at Terminal 4 of Sky Harbor International Airport** is expected to **open this summer**, however little activity is expected at the $26 million facility for several years. The city of Phoenix is wooing a major foreign carrier, such as KLM Royal Dutch Airlines or Lufthansa German Airlines, but daily service isn't likely before 1994. It's estimated that a daily flight from London to Phoenix would bring $37 million in annual expenditures to the Valley economy. America West Airlines currently is the only major airline that provides international service with one-stop flights to Nagoya, Japan. However, America West is gearing up to serve Taipei, Taiwan, and Hong Kong by the end of the year.



FINANCE, INSURANCE AND REAL ESTATE —**Caliber Bank** expects to more than **double the number of its Arizona branches this year**, from 4 to 10, through acquisition of locations of failed thrifts. Las Vegas-based Caliber recently agreed to buy three former Western Savings branches — in Fiesta Mall, Paradise Valley Mall, and north-central Phoenix — after previously picking up two former Arizona Commerce Bank locations. Caliber, which now has nine branches, hopes to pick up another branch from a failed savings and loan this year and to have 23 branches in Arizona within five years.

MISCELLANEOUS — **Arizona ranked seventh** in the country in number of **U.S. Bankruptcy Court cases** filed in 1990. Bankruptcy filings, which totaled 18,385, increased 13 percent over 1989. Arizona's five federal bankruptcy judges, however, are considered to have the busiest caseload for any district due to the number of business reorganizations. Arizona judges averaged 206 business reorganizations in 1990, second only to the Boston district, which averaged 238 reorganizations per judge.

According to the Phoenix & Valley of the Sun Convention & Visitors Bureau, the **state is expected to lose $132 million** in revenue and $10.1 million in taxes between 1987 and 1996 from convention cancellations **due to the lack of a Martin Luther King paid holiday**. The lost revenue also translates into a cost of 3,400 jobs that would have likely been created if the conventions had not been pulled. Since last November, 68 groups representing 62,000 delegates have canceled conventions in the Valley through 1996. The revenue and tax data were compiled by Arizona State University.

The U.S. Department of Labor has acknowledged it is **investigating alleged overtime violations by Smith's Food and Drug Centers Inc.** An employee of the Salt Lake City-based supermarket chain, which employs about 1,500 people at six Valley locations, has alleged that workers were required to put in overtime without additional pay. The company says it is conducting its own investigation. If found guilty, Smith's would be required to pay employees back wages.

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NEWSLETTER

Vol. XV No. 7
July 1991

Unemployment Rate

Seasonally Adjusted
May*

ARIZONA – 4.6%
Maricopa Co. – 3.8
Pima Co. – 3.0
United States – 6.9

Consumer Price Index

U.S. – May 1991
Base = 1982-84

Wage Earner/Clerical Worker – 133.8
% Chg. Year Ago – 4.9

All Urban – 135.6
% Chg. Year Ago – 5.0

Phoenix – 1st Qtr 1991
Base = 1982-84

All Urban – 135.2
% Chg. Year Ago – 2.8

Tucson CPI No Longer Available (see May '91 *Arizona LMI Newsletter*)

* Preliminary

Employee Benefits

Workers at Small Companies Several Steps Behind Medium- and Large-Employer Counterparts

Inside This Issue **Page**

BLS Analyzes Small-Employer Benefits 2
Arizona Survey Offers Limited Comparison 4
Higher Minimum Wage Hurts Summer Job Program 6
The Arizona Labor Force in May 7
Arizona Labor Force Statistics 8
New Developments 13
News in Brief 14

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

No Surprise: Better Perks Offered by Larger Companies, BLS Study Shows

The U.S. Department of Labor's Bureau of Labor Statistics (BLS) recently released findings of its first survey of employee benefits in small private-industry establishments. The 1990 survey, which covered establishments with fewer than 100 employees, not surprisingly found that small private employers offered less extensive coverage than medium and large establishments (those with 100 workers or more), which BLS last surveyed in 1989. But full-time employees in small establishments fared much better than their part-time counterparts.

The pattern of higher benefit coverage for employees in larger establishments and for full-time employees was found for all major benefit categories, including paid leave, unpaid parental leave, insurance, and retirement plans.

As an example, slightly more than two-thirds of full-time employees in small private establishments were provided medical-care benefits in 1990, compared with more than nine-tenths of full-time employees in medium and large establishments in 1989. Among part-time workers in small establishments in 1990, less than one-tenth had medical-care benefits. (The 1989 survey of medium and large establishments covered only full-time employees.)

The BLS survey also accumulated data on small establishments by major occupational groups: professional, technical, and related; clerical and sales; and production and service. In general, benefits were more prevalent among the first two groups of employees. For example, among full-time workers retirement benefits were provided to nearly one-half the workers in the first two occupational groups while just more than one-third of the production and service employees had such benefits. (see Table 1).

The 1990 small establishment survey provided information on the incidence and characteristics of benefit plans for an estimated 40.8 million employees (nearly two-fifths of the nation's civilian employed persons) in establishments with fewer than 100 employees. An estimated 32.6 million full-time and 8.2 million part-time employees were covered by the survey, which included all private sectors, except agriculture and households.

The survey included small establishments that were part of larger enterprises, such as a local service unit of a large manufacturing company, and small independent businesses, such as a local grocery store. Three-fourths of the covered employees were in independent small businesses, and the remainder were in small units of larger companies.

Following is a summary of the survey's findings for full-time workers.

Paid and unpaid leave. Time off with pay is available to employees in a variety of forms — from a few minutes for a daily rest break to several weeks of annual vacation. Paid military leave was available to one-fifth of full-time employees in small establishments in 1990. Such plans were typically designed for short-term reserve duty; the average maximum amount of paid military leave available for full-time workers was 11 work days per year.

Paid holidays and vacations were available to more than four-fifths of the full-time workers in small establishments. Workers receiving such leave averaged 9.5 paid holidays a year and annual paid vacation of 11.5 days after five years of service. Sick-leave plans, providing full pay for some or all of a period of short-term disability, were available to one-half of the full-time workers in small establishments.

Household Benefits Analyzed

The needs of households where parents are employed were addressed by a number of employee-benefit plans surveyed in 1990. Unpaid maternity leave was available to about one-sixth of full-time workers in small establishments; unpaid paternity leave was available to nearly one-tenth of full-time workers.

Parental leave plans provide time off for mothers and fathers to care for newborn or newly adopted children. These plans, as defined by the survey, are separate from other leave benefits, such as sick leave and paid vacations, which at times also may be used for parenting purposes. Paid parental leave was rare.

One percent of full-time employees were eligible for child-care benefits subsidized by their employer. These benefits include both on-site and near-site, child-care facilities and full or partial payment of child-care expenses.

Another method of assisting employees with child care expenses was through reimbursement accounts. Such accounts, typically financed with employee pre-tax dollars, may be used to pay for expenses not covered by other benefit plans, such as dependent-care expenses and out-of-pocket medical-care expenses. Fewer than one-tenth of full-time employees in small establishments were eligible for such accounts in 1990.

Insurance and disability benefits. Medical care and life insurance protection (covering about two-thirds of full-time employees) were the most prevalent insurance benefits found in the 1990 survey of small establishments. Coverage for other types of protection was less extensive: three-tenths of full-time employees received dental care benefits; one-fourth had income replacement for short-term disabilities through sickness and accident insurance; and one-fifth had income replacement through long-term disability insurance.

Three-fourths of full-time workers with medical-care benefits were covered by a traditional fee-for-service plan. Under such plans, payments are made to the care provider or to the patient after care has been received. Another one-eighth of the full-time participants were covered by fee-for-service plans with a preferred provider option. Participants choosing this option received care at lower costs if treatment was provided by designated hospitals, physicians, or dentists. Health maintenance organizations (HMOs), which provide a predetermined set of benefits for a fixed cost, typically from a predetermined group of providers, covered the remaining one-eighth of full-time plan participants.

About two-fifths of full-time employees with medical-care benefits were required to contribute toward the cost of individual coverage; two-thirds contributed for family coverage. When employee contributions were required, they averaged about $25 per month for individual coverage and $110 per month for family coverage.

Life insurance protection, typically paid for entirely by employers, was provided to two-thirds of full-time workers in small establishments. About three out of five life insurance plan participants had benefits specified as flat amounts, averaging slightly more than $15,000. Most of the remaining participants were provided life insurance benefits based on salary,

Table 1. **Percentage of Full-time and Part-time Employees in Selected Benefit Programs, Small Private U.S. Establishments, 1990[1]**

	Full-time				Part-time
Benefit	**All**	**Prof., Tech.[2]**	**Sales, Cler.[3]**	**Prod., Serv.[4]**	**All**
Paid time off					
Holidays	83%	95%	91%	75%	28%
Vacations	88	94	93	83	29
Personal leave	11	17	13	7	4
Lunch period	8	7	7	8	5
Rest period	48	42	46	51	27
Funeral leave	47	57	54	38	11
Jury duty leave	54	72	62	43	13
Military leave	21	29	26	15	3
Sick leave	48	73	64	30	11
Maternity leave	2	3	3	1	1
Paternity leave	(5)	(5)	(5)	(5)	—
Unpaid time off					
Maternity leave	17%	26%	20%	12%	4%
Paternity leave	8	13	8	5	2
Insurance					
Sickness and accident	26%	25%	24%	27%	10%
Long-term disability	19	36	25	9	(5)
Medical care	69	82	75	60	6
Dental care	30	38	35	24	3
Life	64	79	70	54	6
Retirement					
All retirement[6]	42%	49%	47%	37%	10%
Defined benefit pension	20	20	23	18	4
Defined contribution	31	40	36	24	7
Savings and thrift	10	16	15	5	—
Deferred profit sharing	15	17	17	13	—
Employee stock ownership	1	1	1	(5)	—
Money purchase pension	6	9	6	6	—
Stock bonus	(5)	—	(5)	—	—
Simplified Employee Pension	1	1	1	(5)	—
Other benefits					
Flexible benefits plans	2%	3%	2%	1%	1%
Reimbursement accounts	8	13	9	4	1
Child care	1	2	2	1	—

Notes:

1. Except for maternity and paternity leave and reimbursement accounts, benefits paid for entirely by the employee were excluded from the tabulations.
2. Includes professional, technical, executive, and administrative occupations.
3. Includes clerical, administrative support, and sales occupations.
4. Includes production, craft, repair, laborer, and service occupations.
5. Less than 0.5 percent.
6. Includes defined benefit pension plans and defined contribution retirement plans. Some employees participated in both types of plans.

Dashes indicate not enough data available to determine percentage.

Source: U.S. Department of Labor, Bureau of Labor Statistics, June 1991

State Survey Offers Limited Comparison

How do Arizona's small — as well as medium and large — private establishments compare to the rest of the country in terms of employee benefits offered? That is a difficult question to answer, particularly if you're looking for an exact comparison in terms of workforce size and like benefits.

One of the best sources of information on this subject is the *Joint Governmental Salary and Benefits Survey*, a yearly analysis of wages and benefits of public and private employers in Arizona, conducted by the state's Department of Administration. Last year, 193 private and 24 public establishments employing 266,000 full-time workers responded to the department's 17th-annual survey.

Each year, the state survey asks a variety of questions on the following benefit areas: disability insurance, retirement, life insurance, medical insurance, dental coverage, and pre-tax savings plans. In addition, every fourth year — the latest being 1990 — the survey has a more extensive look at employer benefits that includes the above topics, plus data on areas such as holidays, annual and sick leave, and child care.

There are many problems, however, with using the state's survey to compare benefits offered by Arizona and U.S. private-industry establishments. One, the Arizona and U.S. studies differ significantly in the categories surveyed — particularly involving the "Paid Time Off" section. And without knowing the exact wording of the BLS survey, it would be hard to determine if Arizona respondents are being asked similar questions.

Table 1. Percentage of Private Arizona Establishments Offering Selected Benefit Programs to Full-time Employees, 1990[1]

	Size of Employer		
Benefit	**50 - 249**	**250 - 999**	**1,000 - 10,000**
Paid Time Off			
Holidays	99%	97%	94%
Vacations	(2)	(2)	(2)
Personal leave	18	20	13
Funeral leave	(2)	(2)	(2)
Sick Leave	(2)	(2)	(2)
Insurance			
Sickness and accident	46%	62%	60%
Long-term disability	59	63	69
Medical care	99	97	100
Dental care	69	80	91
Life	91	96	100
Retirement			
Retirement/ Pension	63%	76%	91%
Other Benefits			
Flexible Benefits	38%	23%	37%
Child Care	2	5	18

Note:

1. Benefits paid for entirely by employee were excluded from the tabulations.
2. Exact percentage not available because direct "Yes or No" question was not asked.

Source: *Joint Governmental Salary and Benefits Survey — Arizona 1990, Arizona Dept. of Administration, Fall 1990*

Another problem, and maybe the most significant issue, concerns the differences in the size of employers surveyed in the Arizona and U.S. studies. In the state survey, private employers are divided into three categories by size of employment — 50 to 249 workers; 250 to 999 workers; and 1,000 to 10,000 workers — while the BLS surveys look at employers with fewer or more than 100 workers.

Still, the *Joint Governmental Salary and Benefits Survey* offers one measure of how Arizona's private employers stack up against U.S. establishments in terms of available perks. The accompanying table shows the percentage of Arizona establishments, by the group size surveyed, offering selected benefits. Because of the way some questions were worded in the survey, however, an Arizona rate for some of the categories (e.g., vacations) could not be determined.

A copy of the Joint Governmental Salary and Benefit Survey is available by contacting the Department of Administration at 542-5250; cost if $25. Summary information from the survey pertaining to Maricopa and Pima counties is available at no charge in the annual Employer Wage Surveys, published by Research Administration. One free copy of each survey is available by calling 542-3871.

—DES, Research Administration

typically one or two times annual pay.

Additional life insurance protection could be obtained by about one-fourth of those employees covered by a basic life insurance plan. In nearly all cases, this supplemental coverage, while available at group insurance rates, was paid for entirely by the employee. One-fifth of life insurance participants were in plans that continued benefits after retirement. In nearly all cases, these benefits were reduced at retirement, but remained in effect for life.

Sickness and accident insurance plans (or short-term disability plans), which provide either a percentage of a worker's pay or a flat amount per week during a period of disability, were available to one-fourth of full-time workers in the 1990 small establishment survey. A typical sickness and accident insurance plan imposes a seven-day waiting period before benefits (often one-half or two-thirds of regular pay) begin, with payments continuing for 26 weeks.

When an employee is disabled for a longer period of time, or indefinitely, income replacement benefits may be available through a long-term disability insurance plan. About one-fifth of full-time employees in the 1990 small-establishment survey participated in a long-term disability insurance plan; three out of four of these workers had coverage fully paid by their employer. Typical long-term disability insurance plans provided payments equal to 60 percent of pre-disability pay.

Retirement and capital accumulation plans. Defined-benefit pension plans, which specify a formula for determining an employee's annuity, covered one-fifth of full-time workers in small establishments in 1990 — approximately 6.5 million workers. Defined-contribution plans, which usually specify the employer's contribution but do not indicate the actual amount of employee benefit, were available to three-tenths of full-time workers (approximately 10 million).

Defined-benefit pension plans are designed to provide retirement income, that is, benefits are typically not available until an individual reaches a retirement age established by his or her plan. In contrast, defined-contribution plans may be classified as retirement plans — with restrictions on the access to benefits before a specified retirement age — or as capital accumulation plans — with easier access to benefits.

In 1990, a large majority of participants with defined contribution plans had limited access to funds prior to retirement age. About two-fifths of full-time employees in small establishments were covered by some type of retirement plan, either a defined-benefit plan, a defined-contribution plan that restricted access to benefits, or both.

The most prevalent type of defined-benefit pension plan found among participants in small establishments was the terminal-earnings plan, which bases pension payments on an employee's average earnings in the last few years prior to retirement.

Several types of defined-contribution plans were provided to employees in small establishments. Deferred profit-sharing plans, which set aside funds for employees based on company profits, were provided to one in seven full-time workers in small establishments; savings and thrift plans, which specify an employee contribution that is typically matched, in whole or in part, by the employer, were provided to one in 10 workers; money purchase plans, which receive a fixed periodic contribution from the employer, were provided to one in 17 workers; and Simplified Employee Pension plans (SEPs), which are specifically designed for small establishments to create retirement accounts for employees, were rarely provided.

One-sixth of the full-time workers covered by the survey participated in 401(k) plans (also known as cash or deferred arrangements), which permit pretax employee contributions to a retirement account. Most of these plans were salary-reduction plans, allowing employees to reduce their current taxable income by making voluntary contributions that are not taxed until withdrawn from the plan. For example, savings and thrift plans commonly allow participants to make some or all of their contributions in pre-tax dollars.

Benefits for Part-time Workers

For the first time, the Bureau's data on the incidence and details of employee benefits included information on part-time workers. Paid vacations and holidays were the most prevalent benefits available to part-time workers, while insurance and retirement protection was rare. Because of the limited incidence of benefits among part-time workers, plan provisions could not be examined to the same extent as for full-time workers.

Just fewer than three in 10 part-time employees in small establishments in

Table 2. Percentage of Full-Time Workers in Selected Benefit Programs, Medium and Large Private U.S. Establishments, 1989[1]

Benefit	Percent of Workers
Paid time off	
Holidays	97%
Vacations	97
Personal leave	22
Lunch period	10
Rest period	71
Funeral leave	84
Jury duty leave	90
Military leave	53
Sick leave	68
Maternity leave	3
Paternity leave	1
Unpaid time off	
Maternity leave	37%
Paternity leave	18
Insurance	
Sickness and accident	43%
Long-term disability	45
Medical care	92
Dental care	66
Life	94
Retirement	
All retirement[2]	81%
Defined benefit pension	63
Defined contribution	48
Other benefits	
Flexible benefits plans	9%
Reimbursement accounts	23%
Child care	5%

Notes:

1. In 1989, survey coverage excluded executives and employees in constant travel status, such as airline pilots, as well as data for Alaska and Hawaii. Except for maternity and paternity leave and reimbursement accounts, benefits paid for entirely by the employee were excluded from the tabulations.
2. Includes defined benefit pension plans and defined contribution retirement plans. Some employees participated in both.

Source: Employee Benefits in Medium and Large Firms, 1989, U.S. Dept. of Labor, Bureau of Labor Statistics, Bulletin 2363, June 1990

Minimum Wage Hike Hurts JTPA Summer Training Program

An 11 percent drop in federal funding and an increase in the minimum wage in April (from $3.80 to $4.25 an hour) have contributed to a drop this year in the number of Arizona students in the Job Training Partnership Act's Summer Youth Employment Program. Combine that fact with a healthy appetite for work this year, say JTPA officials, and it's going to be a long, hot, cashless summer for some Arizona young adults ages 14 to 21.

Funding for the JTPA Title II-B program dropped from $10.6 million in 1990 to $9.4 million this year, says David Van Wagner, acting manager of Management Information Systems for Arizona's JTPA office. Last year, despite a 6 percent increase in funding from 1989 levels, the JPTA program was down an estimated 500 positions from 1989. An increase in the minimum wage (from $3.25 to $3.80 an hour) and an emphasis on more basic skills training were responsible for the drop.

The state's low unemployment rate (4.6 percent in May) has recently hurt Arizona's overall JTPA funding levels, which are heavily determined by the state and county jobless rates, says Van Wagner. Arizona and a majority of its counties have had unemployment rates below the national average the last couple of years.

According to the coordinator of Phoenix' JTPA program, Nancy Burns, the state's capital city will have nearly a 30 percent drop in summer youth jobs this year. JPTA cuts (about $300,000), as well as recent budget problems for Phoenix contributed to the drop in the number of jobs offered, says Burns.

Unfortunately, the budget shortfall came at a time when the demand for summer jobs was up, the JTPA official says. Phoenix received twice as many applications (2,000) this year than in 1990 and within a shorter period of time. Normally, Phoenix' JPTA program will take applications through the end of June, but it stopped in early May because of the demand, says Burns, who believes a weak economy, combined with a higher wage and better work ethic contributed to the jump in applications.

In Pima County, the number of youth jobs this summer is down 20 percent from a year ago to about 680, which reflects a similar percentage drop in funding. Several years ago, Pima County's JPTA program hired as many as 1,100 students.

However, by making administrative cuts in other areas, Coconino County's JTPA summer jobs program has maintained the same number of youth jobs (130) as last year. But demand for work did increase about 30 percent, says Steve Peru, Service Delivery Area director for Coconino County's JTPA program.

The drop in state funding and minimum-wage hike, though, might be considered minor problems by JTPA officials involved with the summer youth program. As part of proposed amendments to JTPA legislation, the Labor Department is seeking to integrate the summer jobs program with longer-term education and training services. The end result, say several Arizona officials, would be more intensive, year-round training that would impact fewer clients.

"If you go to a year-round program, it will reduce the number of youth we can serve. You will have the same number of kids going through the program," says Scotty Dean, coordinator of youth programs for Pima County's JTPA program. In addition, the summer youth program has built up its own "identity," says Peru. Because of that, "We put a lot of energy into it," he says.

Tommy Nunez, who monitors Arizona's summer youth program, says that the summer jobs program "could make the difference in a student staying in school when they're on the borderline." The JPTA program offers remedial training as well as employment opportunities.

A final decision on the JTPA proposal, along with other major changes, is expected later this year.

—Brent Fine
Arizona LMI Newsletter Editor

1990 received paid vacations and paid holidays. When these benefits were provided, they were typically similar to those of full-time workers, but prorated based on the work schedule of the part-time employee. Insurance and retirement benefits were generally available to fewer than one-tenth of part-time employees in small establishments.

Completion of the employee benefits survey for small establishments represents the last major step in a planned expansion of BLS employee benefits data, which already are available for full-time employees in medium and large private establishments (those employing 100 workers or more) and in state and local governments.

Summary data from the Bureau's medium and large private establishment survey are presented in Table 2. These data are from the Bureau's 1989 Employee Benefits Survey; however, since the overall incidence of benefits is fairly stable from year to year, especailly in large establishments, these data may be used for comparison with the 1990 data on small establishments.

—U.S. Department of Labor,
Bureau of Labor Statistics

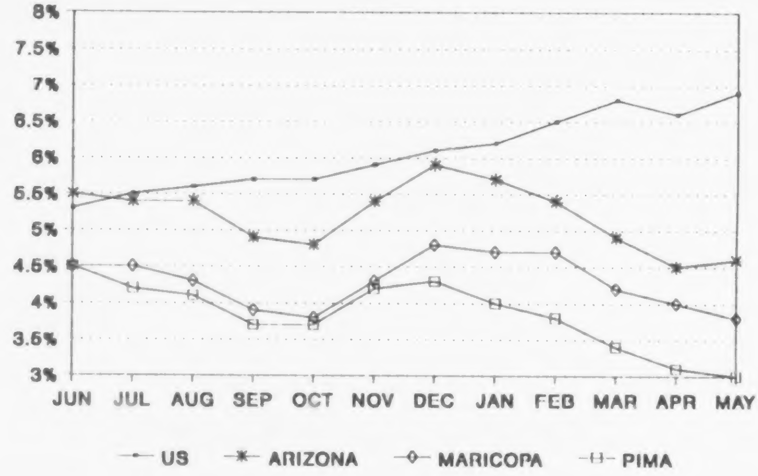
Detailed tabulations of the benefit provisions, in addition to estimates of sample error on all data, are currently being developed. Upon completion of a thorough analysis of these data later this year, the results will be published in a BLS bulletin, Employee Benefits in Small Establishments, 1990. The Bureau also collected employee benefits data for employees in state and local governments in 1990. These data will also be available later this year.

The Arizona Labor Force in May

Arizona's unemployment rate increased to 4.6 percent in May, up one-tenth of a percent from April. This is the first monthly increase in the unemployment rate since last December.

The uptick in the state's unemployment rate, however, was not mirrored in Arizona's two largest counties. Maricopa County's rate declined two-tenths of a percent to 3.8 percent, while Pima County's rate fell one-tenth of a percent to 3.0 percent.

Figure 1. **U.S., Arizona, Maricopa County, and Pima County Unemployment Rates, June 1990-May 1991**



Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration, June 1991

While Arizona's total employment showed a modest increase of 400 in May, this was well below the 10-year average for the month (7,900 gain). A subpar performance also occurred in non-farm payroll employment where there was a loss of 3,100, compared to an average gain of 2,400 for May over the past decade. Part of the decline in non-farm payroll employment was due to defense-related cutbacks and a weak national economy; both of which continue to have a negative impact on Arizona's economy.

Nationally, non-farm payroll employment held steady in May, and for the first time in a year as many industries added jobs as lost them. In Arizona, only two industries showed employment gains in May, mining and construction. All other industries in the state either held steady or lost employment with services and government showing the largest declines.

Construction Held Its Own in May

While mining improved slightly, gaining 100 jobs in May, construction was primarily responsible for offsetting job losses in other industries. Construction added 1,200 jobs in May with the majority of the increase coming in the subindustry of special trades.

Although the gain in construction jobs is good news, the increase still falls 300 short of the average gain for May of 1,500. And while construction employment has shown three-straight monthly increases statewide, the sector is still down 4.3 percent (3,500 jobs) over-the-year.

Manufacturing continued its downward trend in May, losing 500 jobs. Since May 1990 the manufacturing industry has had employment gains in only two months — June and October — and overall lost 4,700 jobs.

In the durable goods sector, the high-tech components of machinery manufacturing and aircraft and missiles manufacturing have suffered the greatest over-the-year losses, dropping 3,100 and 1,200 jobs, respectively. Non-durable goods manufacturing, though, has posted over-the-year gains with the majority of the increase occurring in food and kindred products.

Among major industry groups, services and government tied for the largest employment losses in May, each dropping 1,700 jobs. Over the last decade services has lost an average 300 jobs in May while government has had a slight increase of 200. But despite poor performances last month, both industries are still showing over-the-year employment gains with services up 3.3 percent and government up 1.6 percent.

Losses in services were concentrated in personal services, which is not unexpected now that tax season is over. Hotels and other lodging places, business services, health services, and educational services also experienced some employment losses in May.

Business services, which normally gains employment in May, had its first employment loss of 1991, and health services lost employment for the second-straight month. Services employment, however, is up 13,400 jobs over May 1990 levels and is still the major contributor to over-the-year gains in Arizona's non-farm payroll employment.

A drop in school employment accounted for most of government's loss (1,700). Non-school state and local government employment increased at the state and city levels, but not at the county level. Meanwhile, federal employment had a near average gain of 500 in May.

At the substate level, employment losses

(Continued on page 12)

Arizona Labor Force and Employment

May 1991 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				AMOUNT CHANGE					AMOUNT CHANGE					AMOUNT CHANGE	
	May* 1991	Apr.** 1991	May 1990	Apr. - May	1990 - 1991	May* 1991	Apr.** 1991	May 1990	Apr. - May	1990 - 1991	May* 1991	Apr.** 1991	May 1990	Apr. - May	1990 - 1991
TOTAL CIVILIAN LABOR FORCE***	1714.6	1715.8	1740.7	-1.2	-26.1	1068.6	1067.5	1083.7	1.1	-15.1	317.5	318.1	316.5	-0.6	1.0
Total Unemployment	74.7	76.3	95.7	-1.6	-21.0	39.5	41.5	48.6	-2.0	-9.1	9.0	9.9	13.3	-0.9	-4.3
Unemployment Rate	4.4%	4.4%	5.5%	—	—	3.7%	3.9%	4.5%	—	—	2.8%	3.1%	4.2%	—	—
Unemployment Rate (Sea. Adj.)******	4.6%	4.5%	6.0%	—	—	3.8%	4.0%	4.9%	—	—	3.0%	3.1%	4.6%	—	—
Total Employment	1639.9	1639.5	1645.0	0.4	-5.1	1029.1	1026.0	1035.1	3.1	-6.0	308.5	308.2	303.2	0.3	5.3

Note: Above Labor Force Statistics should not be used for economic assistance programs

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1522.2	1525.3	1501.5	-3.1	20.7	1000.6	1001.8	990.6	-1.2	10.0	262.6	262.8	255.7	-0.2	6.9
Manufacturing	180.2	180.7	184.9	-0.5	-4.7	134.0	134.6	138.3	-0.6	-4.3	25.9	25.8	26.2	0.1	-0.3
Durable Goods	134.6	135.1	139.9	-0.5	-5.3	101.8	102.3	106.1	-0.5	-4.3	20.2	20.1	20.5	0.1	-0.3
Stone, Clay, and Glass	6.3	6.3	6.8	0.0	-0.5	3.6	3.5	4.0	0.1	-0.4					
Primary and Fabricated Metals	14.2	14.2	14.2	0.0	0.0	9.7	9.8	9.6	-0.1	0.1					
Primary Metals	6.3	6.3	6.2	0.0	0.1										
Fabricated Metals	7.9	7.9	8.0	0.0	-0.1										
Machinery	56.8	57.1	59.9	-0.3	-3.1	47.1	47.3	50.0	-0.2	-2.9					
Aircraft and Missiles	26.0	26.4	27.2	-0.4	-1.2										
Lumber and Wood Products (Excluding Furniture)	6.3	6.2	6.7	0.1	-0.4										
Nondurable Goods	45.6	45.6	45.0	0.0	0.6	32.2	32.3	32.2	-0.1	0.0	5.7	5.7	5.7	0.0	0.0
Food and Kindred Products	10.4	10.3	9.7	0.1	0.7	7.2	7.2	6.8	0.0	0.4					
Printing and Publishing	16.9	17.0	17.1	-0.1	-0.2	11.8	11.9	12.1	-0.1	-0.3					
Mining and Quarrying	12.9	12.8	12.4	0.1	0.5	0.7	0.7	0.8	0.0	-0.1	2.3	2.3	2.1	0.0	0.2
Copper Mining	10.3	10.3	9.7	0.0	0.6										
Construction	78.6	77.4	82.1	1.2	-3.5	50.5	49.9	54.7	0.6	-4.2	15.4	15.1	14.9	0.3	0.5
Transportation, Communications, & Public Utilities	81.4	81.7	81.6	-0.3	-0.2	58.1	58.0	58.0	0.1	0.1	9.4	9.3	9.3	0.1	0.1
Transportation	46.7	46.2	45.2	0.5	1.5	35.3	35.0	34.0	0.3	1.3	4.9	4.8	4.8	0.1	0.1
Communications and Public Utilities	34.7	35.5	36.4	-0.8	-1.7	22.8	23.0	24.0	-0.2	-1.2	4.5	4.5	4.5	0.0	0.0
Trade	379.0	379.2	369.1	-0.2	9.9	255.4	255.3	247.0	0.1	8.4	60.6	60.8	59.9	-0.2	0.7
Wholesale Trade	77.0	77.2	74.7	-0.2	2.3	61.6	61.4	60.1	0.2	1.5	7.4	7.6	7.5	-0.2	-0.1
Retail Trade	302.0	302.0	294.4	0.0	7.6	193.8	193.9	186.9	-0.1	6.9	53.2	53.2	52.4	0.0	0.8
General Merchandise and Apparel	47.3	47.2	45.4	0.1	1.9	28.9	28.7	27.6	0.2	1.3	8.7	8.7	8.2	0.0	0.5
Food Stores	50.5	50.6	49.1	-0.1	1.4	32.1	32.0	30.9	0.1	1.2	8.8	8.9	8.5	-0.1	0.3
Automotive and Service Stations	34.6	34.4	34.6	0.2	0.0	21.7	21.5	21.3	0.2	0.4	5.5	5.4	5.7	0.1	-0.2
Eating and Drinking Places	110.1	110.4	106.7	-0.3	3.4	71.5	72.1	68.4	-0.6	3.1	19.7	19.6	19.3	0.1	0.4
Finance, Insurance, and Real Estate	95.2	95.2	94.2	0.0	1.0	76.0	76.0	75.2	0.0	0.8	11.6	11.7	11.6	-0.1	0.0
Services and Miscellaneous	419.8	421.5	406.4	-1.7	13.4	283.6	284.9	276.9	-1.3	6.7	77.4	77.8	73.6	-0.4	3.8
Hotels and Lodging Places	45.4	45.6	44.3	-0.2	1.1	28.1	28.6	27.3	-0.5	0.8	6.5	6.7	6.5	-0.2	0.0
Business Services*****	80.1	80.2	78.3	-0.1	1.8	63.8	63.8	63.4	0.0	0.4	11.5	11.5	10.6	0.0	0.9
Health Services	103.8	104.1	100.7	-0.3	3.1	67.0	67.3	65.6	-0.3	1.4	22.9	22.8	21.5	0.1	1.4
Government	275.1	276.8	270.8	-1.7	4.3	142.3	142.4	139.7	-0.1	2.6	60.0	60.0	58.1	0.0	1.9
Federal	45.5	45.0	50.3	0.5	-4.8										

* Preliminary
** Revised
*** Adjusted to the Current Population Survey to reflect place of residence

**** Normal seasonal variations have been eliminated to reflect underlying economic trends
***** Business Services underwent a series break between December 1987 and January 1988

Note: Annual averages may not total correctly due to rounding

Prepared by the Arizona Dept. of Economic Security, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

Non-metropolitan Counties
Labor Force and Employment
May 1991

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
CIVILIAN LABOR FORCE*	14,475	35,000	43,400	13,025	8,350	3,325	5,675
Total Unemployment	1,400	1,975	2,350	900	400	125	350
Rate	9.7%	5.6%	5.4%	6.9%	4.8%	4.1%	6.2%
Rate (Seas. Adj.)**	12.1%	5.9%	6.3%	7.6%	5.2%	4.4%	7.7%
Total Employment	13,075	33,025	41,050	12,125	7,950	3,200	5,325

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz
TOTAL WAGE AND SALARY	15,625	26,100	41,525	11,675	5,650	3,425	4,100
Manufacturing	550	975	3,425	1,425	225	25	275
Mining & Quarrying	25	100	75	1,300	0	1,950	75
Construction	425	900	1,575	700	150	300	300
T.C.P.U.	1,900	1,675	2,625	500	125	50	150
Trade	1,500	5,325	10,425	2,400	1,575	325	1,350
F.I.R.E.	475	650	850	300	125	25	125
Services & Misc.	5,250	4,925	11,325	2,400	900	175	925
Government	5,500	11,550	11,225	2,650	2,550	575	900

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,750	27,650	37,750	11,300	41,925	47,775
Total Unemployment	1,800	2,050	2,375	925	1,575	9,925
Rate	4.7%	7.4%	6.3%	8.1%	3.7%	20.8%
Rate (Seas. Adj.)**	5.2%	9.2%	6.5%	10.3%	4.0%	15.5%
Total Employment	36,950	25,600	35,375	10,375	40,350	37,850

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	28,325	22,200	30,800	11,300	29,675	28,550
Manufacturing	2,500	2,000	3,450	1,000	2,425	2,050
Mining & Quarrying	50	1,225	3,975	25	1,000	50
Construction	2,750	750	725	275	2,500	1,275
T.C.P.U.	1,350	1,550	1,100	775	1,075	1,050
Trade	8,475	4,275	5,500	5,225	7,950	8,600
F.I.R.E.	1,475	450	775	275	1,025	1,025
Services & Misc.	7,075	5,450	4,925	1,825	7,425	6,275
Government	4,650	6,500	10,350	1,900	6,275	8,225

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment
for Economic Assistance Programs
May 1991

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	May* 1991	Apr. 1991	May 1990	May* 1991	Apr. 1991	May 1990	May* 1991	Apr. 1991	May 1990
Manufacturing	416.56	421.70	408.03	39.9	40.2	40.6	10.44	10.49	10.05
Aircraft & Missiles	647.15	653.38	635.06	44.6	45.5	45.2	14.51	14.36	14.05
Food & Kindred Prod.	344.19	355.27	337.79	38.5	38.7	39.6	8.94	9.18	8.53
Primary Metals	495.75	521.01	502.93	38.7	39.5	37.9	12.81	13.19	13.27
Machinery	399.06	391.95	363.64	39.2	39.0	37.8	10.18	10.05	9.62
Copper Mining	645.17	661.70	602.48	43.8	44.8	44.3	14.73	14.77	13.60
Construction	445.50	442.70	459.73	37.5	36.8	37.9	11.88	12.03	12.13
Utilities	750.82	790.32	757.68	43.4	44.5	45.1	17.30	17.76	16.80
Retail Trade**	264.38	262.26	254.61	32.4	32.1	32.6	8.16	8.17	7.81
Wholesale Trade	407.36	401.94	380.21	38.0	38.5	39.4	10.72	10.44	9.65

Estimated Hours and Earnings of Production
Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	May* 1991	Apr. 1991	May 1990	May* 1991	Apr. 1991	May 1990	May* 1991	Apr. 1991	May 1990
Manufacturing	436.86	442.80	425.80	40.6	41.0	41.1	10.76	10.80	10.36
Construction	470.44	474.00	464.63	38.0	37.5	37.5	12.38	12.64	12.39
Retail Trade**	275.19	275.37	264.66	32.8	32.9	33.0	8.39	8.37	8.02
Wholesale Trade	433.58	429.73	385.32	37.9	38.3	38.0	11.44	11.22	10.14

Estimated Hours and Earnings of Production
Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	May* 1991	Apr. 1991	May 1990	May* 1991	Apr. 1991	May 1990	May* 1991	Apr. 1991	May 1990
Manufacturing	416.47	393.96	349.65	40.2	39.2	37.0	10.36	10.05	9.45
Construction	384.42	382.35	395.26	35.3	35.7	36.7	10.89	10.71	10.77
Utilities	625.55	635.09	586.76	41.4	41.7	39.5	15.11	15.23	14.88

* Preliminary.

** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
May 1991

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,714,517	1,639,856	74,661	4.4%
Apache	14,466	13,065	1,401	9.7
Cochise	35,004	33,033	1,971	5.6
Coconino	43,397	41,041	2,356	5.4
Gila	13,023	12,130	893	6.9
Graham	8,346	7,949	397	4.8
Greenlee	3,328	3,191	137	4.1
La Paz	5,688	5,337	351	6.2
Maricopa	1,068,626	1,029,078	39,548	3.7
Mohave	38,746	36,940	1,806	4.7
Navajo	27,643	25,599	2,044	7.4
Pima	317,533	308,532	9,001	2.8
Pinal	37,744	35,377	2,367	6.3
Santa Cruz	11,300	10,387	913	8.1
Yavapai	41,916	40,353	1,563	3.7
Yuma	47,756	37,842	9,914	20.8

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Labor Force

(Continued from page 7)

in Maricopa County were concentrated in manufacturing and services, while most of the employment declines in Pima County occurred in services. Major industry groups that experienced significant losses in the rural areas of the state were transportation, communications, and public utilities (TCPU); wholesale trade; and government.

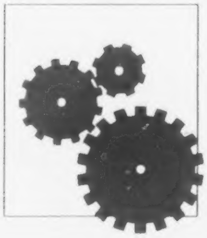
Looking beyond Arizona's employment picture, the national economy is showing signs of improvement. And that's good news for Arizona because a weakened U.S. economy has strained the state's economy, and improvements nationally should help strengthen Arizona's economic climate.

The last week in May was the fourth-straight week in which the number of Americans filing new claims for unemployment benefits declined. This is the first stretch of such improvements since the U.S. economy was coming out of the 1981-82 recession. In addition, recent data on retail sales, housing construction, factory orders, consumer borrowing, and auto sales suggest an end to the downturn.

—Dennis Doby
RA Economist

Honeywell Continues to Add Positions; Valley On Short List for Jet Assembly Plant

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.



MANUFACTURING — **Honeywell Inc. is adding more than 200 jobs** to its **Industrial Automation and Control Division in Phoenix**. The positions, which are involved in the manufacture of sensing devices that regulate machinery in industries such as oil refining, pharmaceuticals, and food products, are being moved from Honeywell's plant in Fort Washington, Pa. Honeywell has leased a vacant 80,000-square-building at Interstate 17 and Greenway Road — formerly used by GenRad Inc.'s Service Products Division — to house the operation. An initial work force of about 100 will be hired during the next nine months.

McDonnell Douglas Corp. is considering **Mesa as a site to assemble its new MD-12X jetliner**. The East Valley city is one of six cities in the running for the facility which is expected to employ up to 5,000 workers. And with the official announcement in late June that Williams Air Force Base will be closing — and its potential availability for testing — Mesa's chances might have improved.

As part of a consolidation plan, **General Instruments Corp.** was expected to **close in late May a warehouse and purchasing operation in Tucson** that supported a maquiladora plant in Mexico producing cable TV transmission parts. About 50 people were expected to lose their jobs.

Bombardier Inc.'s Canadair Group is building an 82,000-square-foot **service and painting facility** for business-class jets at Bombardier/Learjet's complex at Tucson International Airport. The new center will boost employment by about 200.

Great Western Publishing Inc. of Phoenix, which specializes in grocery-store newspaper inserts, is making *great* strides in only two years of operation. Great Western recently inked Safeway to a three-year, $18 million contract (to distribute the supermarket chain's weekly circulars throughout Arizona) and previously landed several other major grocery and retail chain accounts. With sales projected to hit $40 million this year, Great Western **expects, within six months, employment to double** from the current 150.

NEW DEVELOPMENTS

Foster Grant Corp.'s packaging and distribution **facility in Tucson will lay off 30 people** when it closes it doors at the end of August as part of a consolidation effort. Work will be moved to Dallas. A manufacturing plant in nearby Nogales, Sonora, which employs 250, will remain open.

CONSTRUCTION — Jackrabbits take cover. On a controversial 2-1 vote, Maricopa County's Board of Supervisors approved a plan for a **master-planned community north of Interstate 10 near the Palo Verde Nuclear Generating Plant**, about 50 miles west of Phoenix. Called Belmont, its English developers expect the 21,000-acre community to have about 150,000 residents in 45 to 50 years, with initial residents coming from some of the 3,100 Palo Verde employees. Construction of the development's first phase, which will consist of $60,000 to $120,000 homes, is expected to begin by 1995, the Belmont Corp. says. Approval of the project caused an uproar because it is far from essential services and is close to the nuclear plant. Meanwhile, a **proposal is looming for the development of 35,000 acres south and west of the Belmont project**, called the Tonopah Area Plan. No official hearing, however, has been set on the vacant land located between 371st Avenue on the east and 435th Avenue on the west.

Valley housing permits dropped 15 percent in the first quarter of 1991 compared to the previous year due to a sharp fall in multi-family housing permits. While single-family home permits were up 7.4 percent when comparing the two quarters (2,794 vs. 2,603), multi-family permits dropped 85 percent (123 vs. 839).

TRADE — **AutoZone**, an auto-parts retailer, has begun construction of a **200,000-square-foot warehouse and distribution center in Tolleson**, at 75th Avenue and Van Buren Street. The facility, which will also be the company's Southwest headquarters, will house about 125 employees when its completed in early 1992. The Memphis, Tenn.-based retailer has 30 stores in the Valley and 500 nationwide.

Following the lead of several other California companies, **Wilson Showcase and Fixtures**, a furniture manufacturer, is packing its bags and **heading to Arizona** — lock, stock, and barrel. Wilson plans to bring about 25 employees to its new facility in Mesa (1255 S. Pasadena St.) by early July, then hire another two dozen in-state. The 28-year-old company specializes in cabinets and sells to major retailers.

A recently formed company that manufactures high-tech electronic parts, **Neltec Inc., is moving to Tempe from New York**. A subsidiary of Park Electrochemical Corp., Neltec is leasing a 38,000-square-foot building in HoHoKam Business Park. No details about employment were made available.

Dallas-based **Vantage Shoe Warehouse** plans to **open seven locations in Phoenix and Tucson** within the next 18 months with the first store (in Phoenix) opening this fall. The shoe retailer has 18 stores in Texas and one in Oklahoma.

A **Mega Foods grocery store** will anchor a planned **Lakeview Shopping Center in Prescott**, which received city approval in mid-May. Construction of the Mega Foods store is expected to be completed in October.

The Sports Authority Inc., a Florida-based sports retailer, plans to **open three 40,000-square-foot "mega" stores** in the Valley and one in Tucson by the end of the year. All of the Phoenix-area locations — 9450 N. Metro Parkway, Tatum Road north of Cactus Road, and Hayden Plaza on Country Club Drive in Mesa — are under construction and expected to open in August.

SERVICES — Due to uncertainties about new Medicare payment provisions, a 70,000-square-foot, $6.2 million **medical building** scheduled to be built next to Walter O. Boswell Hospital **in Sun City**, 103rd Avenue and Thunderbird Road, has been **put on hold**. The delay comes despite the fact the medical center is 90 percent pre-leased.

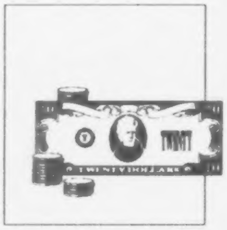
The **Ramada Express Hotel and Casino in Laughlin, Nev.**, announced in late May plans for **major expansion**, partially offsetting the demise of two previously announced building projects in the gambling boom town across the river from Arizona. Ramada proposes to build a 23-story, 1,116-room tower which will include an additional 21,000 square feet of casino space, 25,000 square feet of restaurants and meeting rooms, and a five-level parking garage. Ramada picked up water and sewer permits surrendered by the developers of a planned 2,000-room Emerald River resort and expansion of the Golden Nugget Laughlin. Both projects were put on hold due to financing problems and the glut of hotel rooms recently opened in the Nevada town.

In early June, **Toyota Motor Corp. kicked off construction** of a 12,000-acre North American **proving ground**, the largest in the country. Expected to eventually employ more than 100 workers, the $110 million facility 20 miles southwest of Wickenburg will initially hire 10 Japanese and 40 American workers when it opens in 1993. Meanwhile, **General Motors Corp.** will be closing the gap on Toyota when it more than **doubles the size** of its building space at its 5,000-acre **test facility in the East Valley**. GM plans to add and expand several buildings at its site bounded by Signal Butte, Ellsworth, Elliot and Pecos roads.

Print-shop chain **Sir Speedy Inc.** plans to **add six shops in the Valley** during the next year, bringing to 14 the number of its Phoenix-area locations. Sir Speedy of Laguna Hills, Calif., plans one store in both Paradise Valley and Tempe, and two each in Glendale and Phoenix.

TRANSPORTATION, COMMUNICATIONS, and PUBLIC UTILITIES — **Alaska Airlines** was expected to **add 100 workers to its reservations center in Tempe** by the end of June, bringing its total workforce in the Valley to around 270. The Tempe facility's workforce has grown four fold Alaska moved the center from Long Beach, Calif., in 1989. The Seattle-based airline says it should hire additional reservations staff in 1992.

A group of about a dozen investors have established the **Arizona & California Railroad Co. in Parker** with plans to **pick up excess business** that the Atchison, Topeka and Santa Fe Railway is unable to handle. The new railroad is expected to bring additional industry along its western Arizona route that runs from Phoenix through Wickenburg and Parker and then into western California. Parker, a town of 3,500 on the Colorado River, should reap significant benefits from the railroad, analysts say.



FINANCE, INSURANCE AND REAL ESTATE — Bad news for some employees in First Interstate Bank's western regional system will be good news for **First Interstate** employees and other job seekers in Phoenix. The current consolidation of the Los Angeles-based bank's data processing and human resources departments will mean fewer overall jobs for First Interstate workers in its 14 western state operations, but a boon to employment in the Valley where about **270 newly created positions will be filled by spring of 1992**. Two hundred data-processing jobs, some relatively high-paying, will be created in an expanded building in Tempe (1305 W. 23rd St.), while about 70 human resources positions will be created in First Interstate's offices in downtown Phoenix (100 W. Washington St.).

The **National Bank of Tucson** will open its **first two branches in the Valley** by August and plans to add up to three additional locations within a few years. About 15 positions will be created by the two branches — one in central Phoenix and the other in Scottsdale. The bank, which had earnings of $1.1 million in 1990, currently has two branches and its headquarters in Tucson.

NEWS IN BRIEF

Labor Department Authorizes Funding for Training of Migrant Farmworkers

Following are brief stories relating to labor issues affecting the nation and Arizona.

The U.S. Department of Labor has authorized grants totaling nearly $68 million for training and employment services for migrant farmworkers and their families. Approved under Title IV of the Job Training Partnership ACT (JTPA), funding will be used to help migrant workers find alternative jobs and improve the standard of living for those staying in the agricultural market.

Fifty-three public and private non-profit organizations in 48 states and Puerto Rico are eligible for grants. In Arizona, Portable Practical Educational Preparation Inc. (PPEP) of Tucson is eligible to operate training programs for migrant and seasonal farmworkers and can receive funding up to $1.4 million in employment and training funds.

Economically disadvantaged farmworkers and their families are eligible for classroom and on-the-job training, work experience, and support services. Support services include: day care, health care, transportation assistance, legal aid, and food and housing in emergency situations.

For additional information on the program, contact PPEP at (602) 622-3553 or the Labor Department at (202) 535-0500.

Lower Living Income Levels Published

In late May, the *Federal Register* published the Lower Living Standard Income Level (LLSIL) Guidelines for 1991, which were adjusted for cost-of-living increases based on the change in the Consumer Price Index for All Urban Consumers (CPI-U). The CPI-U increased 5.4 percent over-the-year ending December 1990.

LLSIL income levels are one of two ways — the poverty level is the other — used to determine whether individuals meet the "economically disadvantaged" standard for JTPA programs. And LLSIL levels are the only criteria used to determine eligibility under the Targeted Jobs Tax Credit (TJTC) program.

Persons are determined to be economically disadvantaged if their family income six months prior to applications for the JTPA and TJTC programs was not in excess of the higher of the poverty level, or 70 percent of the LLSIL levels.

Following are the 70 percent levels of LLSIL, by family size, that are applicable to Arizona's metropolitan and non-metropolitan areas, plus the 1991 U.S. poverty levels.

Family Size	Metro	Non-metro	Poverty Level
1	$ 5,800	$ 5,750	$ 6,620
2	9,500	9,420	8,880
3	13,050	12,930	11,140
4	16,100	15,960	13,400
5	19,000	18,840	15,660
6	22,220	22,030	17,920

Confed Admin Services, Inc.. of Tucson, a back-office operation of Confederation Life Group of Companies, plans to **hire 60 more employees** by the end of the year to handle new service contracts.

GOVERNMENT — **Florence Atlantic Corp.** of Maryland is planning to **build a $74 million drug-treatment center in Gila Bend** that will treat minimum- and medium-security prisoners at reduced rates. The 378,000-square-foot, 1,600-bed facility, which is expected to employ about 350 persons **(108 psychiatric and 247 prison and operations personnel)**, would be the first of its kind in this country. Construction of the center, near Interstate 8 and Casa Grande Highway, is scheduled to begin this fall with completion in early 1993.

A **tight budget** has forced **Pima County to eliminate 102 positions** — 70 permanent and 32 part-time. Jobs range from clerks to lawyers. In addition, 83 vacant positions will not be filled. Some of the laid-off workers, however, are expected to be hired back later on to fill some of the current 600 vacant county jobs that will need to be filled in order to maintain efficiency.

MISCELLANEOUS — The **employment outlook in the Phoenix area for the next several months is not good**, according to a survey by Manpower Inc., a national temporary-help company. About one-third of Valley businesses say they will lay off workers between July and September, while only 10 percent expect to hire additional people during that three-month period. Nationally, 22 percent of employers expect to hire more workers, while 10 percent plan to reduce payrolls.

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NEWSLETTER

Vol. XV No. 8
August 1991

Unemployment Rate

Seasonally Adjusted
June*

ARIZONA	–	4.9%
Maricopa Co.	–	4.2
Pima Co.	–	3.2
United States	–	7.0

Consumer Price Index

U.S. – June 1991
Base = 1982-84

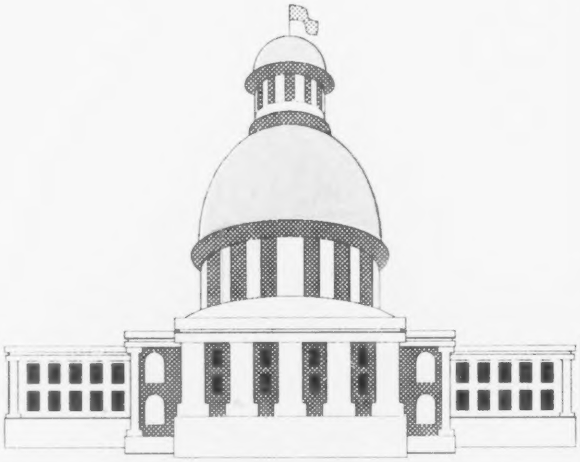
Wage Earner/Clerical Worker	–	134.1
% Chg. Year Ago	–	4.5
All Urban	–	136.0
% Chg. Year Ago	–	4.7

Phoenix – 2nd Qtr 1991
Base = 1982-84

All Urban	–	136.3
% Chg. Year Ago	–	3.4

Tucson CPI No Longer Available (see May 1991 *Arizona LMI Newsletter*)

* Preliminary



Legislative Scorecard

'91 Session Hit Home Run on Some Issues, Dropped Ball on Others, Say Labor, Business Officials

Inside This Issue **Page**

'91 Legislative Session Gets Mixed Reviews 2
BLS Reports 5
The Arizona Labor Force in June 7
Arizona Labor Force Statistics 8
News in Brief 13
New Developments 14

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

Results of Arizona Legislative Session Get Mixed Reviews

In terms of new laws affecting employment and economic development, the outcome of the 1991 Arizona legislative session was bittersweet for Arizona labor and business officials. While improvements in unemployment insurance (U.I.) benefits and spring training baseball-facility fees were approved, the scramble to complete the budget and last-minute political maneuvering led to the downfall of several significant pieces of employment and business legislation.

An employee-training bill — considered essential by economic-development officials in their ability to lure out-of-state business — and a package of pro-labor worker's compensation laws appeared headed for passage as the first regular session of the 40th Legislature wound down in late June. But at the last minute the legislation became entangled in a political tug-of-war over a proposed bill that would have offered $35 million in tax credits to investors in Arizona venture-capital companies. Result: all three pieces of legislation died — at least for this session.

Scott Eubanks, director of the Arizona Economic Council, a public-private partnership that recruits new business to the state, views the defeat of the employee-training bill "as a major setback for economic development." Eubanks, who says Arizona is one of only four states without a employee-training program for business relocation, points out that ironically the city of Globe recently lost out on a mining-service company for lack of a training program.

The economic-development training bill (H.B. 2456) would have empowered the state community college system to train and retrain persons for specific employment opportunities with new and expanding companies. The program, which would have cost about $1.5 million a year, will be brought up again, Eubanks says.

> *The fallout from the political fighting was unfortunate, because several major pieces of legislation affecting a wide range of economic and employment issues were passed and signed into law—and in many cases with the co-sponsorship of labor and management ... .*

The major disappointment for labor was the downfall of a series of worker's compensation proposals that were bundled together into one bill at the end of the session. The worker's compensation bills ranged from a one-time, 3½ percent cost-of-living increase for individuals already awarded permanent compensation to making an employer liable for damages resulting from a wrongful discharge of an employee in a worker's compensation claim.

Many of the worker's compensation bills were supported by business, as well as labor, and didn't die on their own merits, says Mike Shea, a spokesperson for the Arizona State AFL-CIO, which lobbies on behalf of union workers in the state. Some of the legislation, however, could be revived during a special session of the Legislature, Shea says.

The fallout from the political fighting was unfortunate, because several major pieces of legislation affecting a wide range of economic and employment issues were passed and signed into law — and in many cases with the co-sponsorship of labor and management, who traditionally have been on opposing sides of the bargaining table. "We feel the session was pretty good. Unfortunately, some (bills) fell through the cracks at the last minute," Shea says.

From a worker point of view, the highlight the of legislative session, say Shea and other labor officials, was the improvement in unemployment insurance (U.I.) benefits — a $10 increase for each of the next two years — and the ability of state workers to expand their political activities. On the business side, major highlights included legislation that allows three counties to levy fees to support spring training-facility improvements, the commissioning of a study for creation of an Arizona stock exchange, and a change in the law to allow small companies to offer "stripped-down" health insurance. The health-care legislation also had the support of labor.

The U.I. legislation (H.B. 2053) increases the maximum weekly U.I. benefit from $165 to $175, starting in July, and then to $185 in August 1992. At the beginning of the year, the state ranked 44th among all states in maximum benefit paid.

U.I. Fund Considered Sound

Despite the recent economic downturn, the state's U.I. trust fund is sound and can withstand the increase, says state U.I. Administrator Tom Vaughn, who expects that the average U.I. tax rate for Arizona employers — 1.02 percent of the first $7,000 an employee earns — will go up "a hair" next year to offset the benefit increase. As of June, the state's U.I. trust fund had a balance of $474 million, down from $499 million in June 1990. But that decline also reflects a drop this year in the state's average U.I. tax rate from 1.16 percent in 1990.

The increase in U.I. benefits "was extremely important," says Shea, who adds that many construction workers have moved to California and Nevada — and thus drained the state of skilled workers — because of low U.I. payments and their inability to pay for health care during periods of layoffs.

Also part of the bill was a provision that speeds up a worker's appeals process by allowing the Arizona U.I. Appeals Board

Table 1. **Major Labor and Economic-Development Legislation Presented During 1991 Arizona Legislative Session**

	Major Bills That Passed
H.B. 2053	Increases the maximum weekly unemployment insurance benefit from $165 to $175, starting in July, and then to $185 in August 1992.
S.B. 1325	Modifies laws pertaining to state-worker politics to allow covered employees more freedom to participate in election process.
H.B. 2452	Allows Arizona counties where baseball spring training occurs — Maricopa, Pima, and Yuma — to use revenue through a surcharge on car rentals and recreational vehicle spaces to improve or build new baseball facilities. In addition, Pima and Yuma counties have the option of asking voters to pass a one-tenth of 1 percent sales tax.
H.B. 2027	Allows companies with 25 or fewer employees to offer employees "stripped-down" health insurance; also increases the size of companies that can obtain low-cost health insurance through the Arizona Health Cost Containment System (AHCCCS), the state's Medicaid program.
H.B. 2451	Empowers state Corporation Commission to study feasibility of creating an Arizona stock exchange.
	Major Bills That Failed
H.B. 2456	A $1.5 million annual expenditure for an economic-development training program that would have empowered the state community college system to train and retrain persons for specific employment opportunities related to new and expanding companies.
S.B. 1012	A series of worker's compensation proposals that ranged from a one-time, 3½ percent cost-of-living increase for permanent compensation awards to making an employer liable for damages resulting from a wrongful discharge of an employee in a worker's compensation claim.
H.B. 2037	Creates an Arizona Capital Company Program that would allow up to $35 million in tax credits over a four-year period to investors in Arizona venture-capital companies.

chairman to designate one board member to review certain cases, unless the affected party requests a review by the entire board.

The Legislature also approved a measure that makes it easier for someone to repay an overpayment of U.I. benefits when the overpayment was not that person's fault. S.B. 1409 says that an individual cannot be required to pay more than 25 percent of their weekly benefit toward the overpayment unless they haven't made a reasonable attempt to repay the money within the past year. In that case, the state U.I. Administration can recoup 50 percent of their weekly benefit one year after the overpayment has been established. Prior to the law, the entire overpayment could have been taken out of an individual's benefit check, which could have left them with no income until the overpayment was paid back.

"Little Hatch Act" Revamped

Another important piece of legislation in labor's eyes was the reforming of the state's "Little Hatch Act," which prohibited most state employees from taking part in the management or affairs of any political party or campaign. Previously, nonexempt state workers were limited in their political activity (e.g., signing of nomination or recall petitions; making contributions to candidates) as a way of ensuring they would not be pressured by superiors to support a particular candidate or to buy political favors.

The new legislation (S.B. 1325) continues to prohibit covered state workers from holding any paid, elective public office and managing a partisan or non-partisan campaign effort. But it does allow employees to: circulate candidate nomination or recall petitions; engage in activities to advocate the election or defeat of any candidate; and solicit or encourage contributions to candidates or campaign committees.

The law "allows state employees to participate (more fully) in the political process," says David Mendoza, legislative and research director for Council 97 of the American Federation of State, County, and Municipal Employees (AFSCME), whose organization pushed hard for the changes. "We worked out some of the problems with DOA (Department of Administration) and addressed their concerns," Mendoza says.

Other successful legislation deemed important by labor included S.B. 1406, which called for a one-time, 2.3 percent increase in state retirement benefits and lowered the number of points (years worked, plus age), from 82 to 80, a state worker needs to retire with full benefits.

Also, a watered-down smoking ban in state buildings (S.B. 1153) was still considered important by AFSCME because it included protections for workers who complain about smoke. The bill, which allows DOA and agencies to designate areas where smoking may be permitted, also says supervisors cannot discriminate

against employees who complain about smoke.

Also, labor and business supported two bills aimed at bringing some relief to the hard-hit construction industry, which has lost one-third of its employment since 1986.

S.B. 1116 allows off-site contractors who were deemed liable for some back sales taxes to pay those taxes in installments. Because of confusion in the wording of the law, some contractors were not aware they were responsible for collecting sales taxes when they were working at off-site locations, says John Mangum, legislative counsel for the Contractors Information Council of Arizona.

HB. 2312, meanwhile, strengthens a law passed two years ago that requires political subdivisions (e.g., the state) to pay within 14 days for work that has been completed and approved. Political subdivisions must now approve or register a complaint about a project within seven days and, if approved, then make payment within the required time period. Because of the time lag between completion of work and payment, contractors often have been forced to lay off workers until funds were received, Shea says.

Probably the most significant piece of pro-business legislation was the passage of the baseball-facility fees, which allows Arizona counties where spring training occurs (Maricopa, Pima, and Yuma, for now) to use revenue through a surcharge on car rentals and recreational vehicle spaces to improve or build new baseball facilities. In addition, Pima and Yuma counties have the option of asking voters to pass a one-tenth of 1 percent sales tax.

Although no exact employment figures are available, spring training pumps at least $100 million annually into the Arizona economy, primarily from tourists coming to see their favorite team, says Joe Garagiola Jr., chairman of the Arizona Baseball Commission. In addition, major-league teams use their facilities in the state during other months of the year for instructional purposes, which translates into additional revenue, Garagiola says.

The legislation became a major issue this year when the Cleveland Indians announced they would be moving their spring training headquarters from Tucson to Homestead, Fla., in 1993, and it was feared other teams would leave if baseball facilities in Arizona could not compete with new multi-million dollar complexes in Florida. Cleveland's move will leave Arizona with only seven teams, but the recently awarded expansion franchise in Denver is expected to locate its spring training base in Arizona when it begins play in 1993, Garagiola says. And the new legislation may help in luring one or two other teams from Florida to this state, he says.

Tax on Foreign Trade Zone Reduced

Another important bill to economic-development officials, which drew significant media attention, was H.B. 2251, which dramatically reduces property taxes within an activated foreign trade zone in Arizona. The state currently has five foreign trade zones, which enable companies to manufacture products with foreign parts without being subject to U.S. customs, duties, or excise taxes.

The legislation came about when Conair, a manufacturer of electronic products, offered to build a plant in Glendale if it could receive tax breaks (see "New Developments," p. 14). But the bill nearly died when the Senate tacked on an amendment that would require businesses that receive such incentives to pay employees at that plant at least the average wage for workers in Arizona (currently about $10 an hour). Eventually the Senate agreed to drop the amendment in exchange for efforts to make sure companies stick to promises they make (e.g., number of people they will employ) to receive the incentives.

To offset the rising cost of health care, business and labor were successful in backing a bill (H.B. 2027) that allows small companies (25 or fewer employees) to offer employees "stripped-down" health insurance. Although Arizona businesses are not required to offer a health-care package to workers, previously if they did, it had to meet certain minimum standards of coverage. Now, small businesses who have not had policies in effect for 90 days can purchase bare-bones health insurance, which principally covers hospitalization for major illnesses and maternity care, plus a limited amount of preventive care (e.g., two doctors' visits a year).

"Hopefully (the law) will reduce the number of Arizonans" — an estimated 500,000 — "who don't have any health insurance and help small employers and employees keep a lid on health insurance (costs)," says Shea, whose union strongly supported the legislation.

Another provision of the law increased the size of companies — from 25 to 40 employees — that can obtain low-cost health

(Continued on page 6)

U.S. Mass-Layoff Events Rose 12.6% in '90; Manufacturing Industry Sparked Increase

Following are extractions from recent reports issued by the U.S. Department of Labor's Bureau of Labor Statistics (BLS).

For the 42 states and the District of Columbia which compiled data in both 1989 and 1990, the number of mass layoffs increased 12.6 percent over the year, the U.S. Department of Labor's Bureau of Labor Statistics (BLS) reported in early July. In Arizona, mass-layoff events jumped 35.8 percent over-the-year (91 in 1990 vs. 67 in 1988).

In the 45 states that compiled layoff data in 1990, 2,602 establishments reported 3,074 layoff actions that resulted in the separation of 586,370 workers, with 14 percent of the layoff events reflected in the closure of the establishment, BLS reported. The average number of separations per mass layoff was slightly lower in 1990 than in 1989 for the nation and Arizona, and initial claimants for unemployment insurance due to mass layoffs increased 8.1 percent for the country as a whole.

BLS data, collected as part of the Mass Layoff Statistics (MLS) program, cover layoffs of at least 31 days duration, involving 50 or more individuals who filed initial claims for unemployment insurance during a consecutive three-week period. The MLS program is a federal-state cooperation project that uses a standardized, automated approach to identifying, describing, and tracking the effect of major job cutbacks. (Note: In 1990, data on layoffs were not reported by California, Maryland, Michigan, Ohio, and Oregon. Indiana reported data for only part of the year.)

Arizona MLS Data

	Establishments	Layoff Events	Separations
1989	53	67	16,354
1990	69	91	18,793

More than half the mass layoffs in 1990 were in manufacturing industries, and more than half of the manufacturing layoffs occurred in the durable-goods industries. The number of manufacturing-worker separations rose by 10 percent from 1989. Layoffs in non-durable goods continued to be heavily concentrated in food processing and apparel.

In the non-manufacturing industries, mass layoffs continued to be concentrated primarily in construction, trade, and services. Compared with 1989, however, the largest increase in layoff activity was in government, much of which stemmed from the completion of the 1990 decennial census. Mass layoffs were down over-the-year in mining; construction; and transportation and public utilities.

"Seasonal work" and "contract completion" combined accounted for more than one-third of reasons given for layoff events and separations. These types of layoffs are generally anticipated. "Slack work" accounted for another 31 percent of the layoff events and 24 percent of all workers separated.

Thirty-nine percent of mass-layoff events involved fewer than 100 workers; 23 percent involved 100 to 149 workers; and 24 percent affected 150 to 299 workers. Only 14 percent of the layoff events involved 300 workers or more. This distribution was little changed from a year earlier. The number of separations per layoff event averaged 191 workers, ranging from 576 in government to 135 in construction. Manufacturing averaged 174 separations per layoff event.

Bargaining Contracts Rise for Ninth-Straight Quarter

Major collective bargaining settlements reached in private industry during the second quarter of 1991 provided larger wage-rate adjustments than those specified in the contracts they replaced, BLS reported in late July. This relationship now extends over nine-consecutive quarters. The Bureau's series on major settlements in private industry covers bargaining units with 1,000 workers or more.

Settlements concluded during the second quarter called for wage-rate adjustments (increases, decreases, and freezes) averaging 3.4 percent in both the first contract year and annually over the life of the contract. Under the most recent contracts, 95 percent of the workers are scheduled to receive a wage-rate increase during the contract term. Almost all the rest do not have a specified wage-rate change.

Corresponding averages in contracts that were replaced (which, for the most part, were negotiated in 1988 or 1989) were 2.7 and 2.5 percent. (Lump-sum payments and cost-of-living adjustments are not included in these measures.) During the quarter, 147 settlements, covering 649,000 workers, were concluded. Settlements in the trucking, construction, and apparel industries accounted for nearly two-thirds of the workers.

During the year ended June 30, 1991, lump-sum payments were newly negotiated in 14 contracts for 45,000 workers and dropped in 40 contracts affecting 187,000 workers. Such provisions now cover 41 percent of the 5.7 million workers under major collective-bargaining contracts in private industry. This proportion has been nearly constant since 1987, when this information was first compiled.

Twenty-two settlements for 238,000 workers discontinued cost-of-living adjustment clauses (COLAs) during the year ended June 30, 1991; no settlements added them. Trucking contracts covering 164,000 workers and railroad contracts covering 44,000 workers were among the new settlements that dropped COLAs.

Mixed Reviews Given to '91 Legislative Session

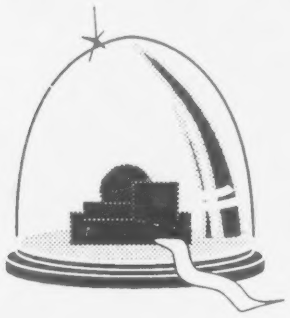
(Continued from page 4)

insurance with The Health Care Group™, a state program that offers coverage to small employers through the Arizona Health Cost Containment System (AHCCCS), the state's Medicaid program. But the problem with The Health Care Group, says Shea, is that it is currently only offered in three of Arizona's counties (Maricopa, Pima, and Cochise). "People outside those three counties are left high and dry," he says.

As a way to attract capital and attention to the state and Arizona companies, passage of H.B. 2451 set the stage for the creation of an Arizona stock exchange by empowering the state Corporation Commission to study its feasibility. If all goes according to plan and the Corporation Commission approves, a privately held stock exchange (as yet unnamed) could be up and running in about two years, says Sandra Forbes, assistant director for Law and Policy, for the Corporation Commission's Securities Division.

The future exchange would not only seek "high quality companies who aren't getting a lot of attention (on other exchanges)," but corporations in surrounding states and Mexico, says Forbes, who adds there has already been a lot of interest in Mexican companies due to the anticipated free-trade agreement. An Arizona stock exchange could also mean significant direct and indirect employment, Forbes says, although trading is expected to be set up to allow individuals to purchase or sell securities through their home computer.

Among some of the other laws passed pertaining to labor and business issues included:



- H.B. 2498, which authorizes a study of the development and retention of small business in Arizona, with special attention given to evaluating the needs of minority-, rural-, and woman-owned businesses; and looks at the feasibility of a state-sponsored, loan-guarantee program for small businesses.
- S.B. 1054, which creates a space commission that will seek to coordinate space-related commercial and high-tech partnerships and assist the Arizona Department of Commerce and local economic-development agencies in fostering growth in those industries.
- H.B. 2125, which appropriates $100,000 to operate a trade office in Mexico that is expected to open in October. The office will be run jointly with the state of New Mexico.
- S.B. 1351, which transfers numerous responsibilities formerly held by the state Board of Education to the state Board of Vocational and Technological Education, including helping to enforce child-labor laws; and requires district governing boards to re-evaulate vocational and technological education programs annually instead of once every five years.
- several bills affecting the regulation of occupations, including S.B. 1071, which rewrites the licensing and regulation requirements for psychologists.
- S.B. 1455, which authorizes a study of the incidence of cancer among firefighters.

Besides the economic-development training bill and worker's compensation legislation, other proposed laws affecting labor and business that received strong consideration but did not become law were:

- H.B. 2273, which would require all governments in Arizona (state, county, local) to annually evaluate and review functions that could be done by the private sector if deemed in the public interest; and would expand the role of the Private Enterprise Review Board, which was previously created to review complaints from the private sector regarding unfair competition by state agencies, universities, and community colleges.
- S.B. 1014, which would make nonunion employees liable for representation expenses incurred by a labor organization that processes employment-related grievances on their behalf. Because Arizona is a right-to-work state, employees are not required to join a union, but still are eligible for union representation.
- S.B. 1020, which would clarify if a leasing or temporary-services employer is liable for reporting a worker's wages and unemployment taxes.
- H.B. 2103, which would increase regulation of denturists; passed in both houses, but vetoed by the governor.
- S.B. 1064, which would establish a minimum-wage law in Arizona that is similar to the federal law (which the state falls under), but among other items would use a lower gross sales amount ($100,000 instead of $500,000) to exempt employers from having to pay a minimum wage.

—Brent Fine,
Arizona LMI Newsletter Editor

The Arizona Labor Force in June

While the national economy showed signs of recovery in the June employment statistics, Arizona's economic engine — which has been humming right along — in June began to exhibit some slippage in its gears.

Arizona's seasonally adjusted unemployment rate climbed to 4.9 percent from 4.6 percent in May. Unadjusted, the state's jobless rate grew a full percentage point (from 4.4 percent in May to 5.4 percent in June).

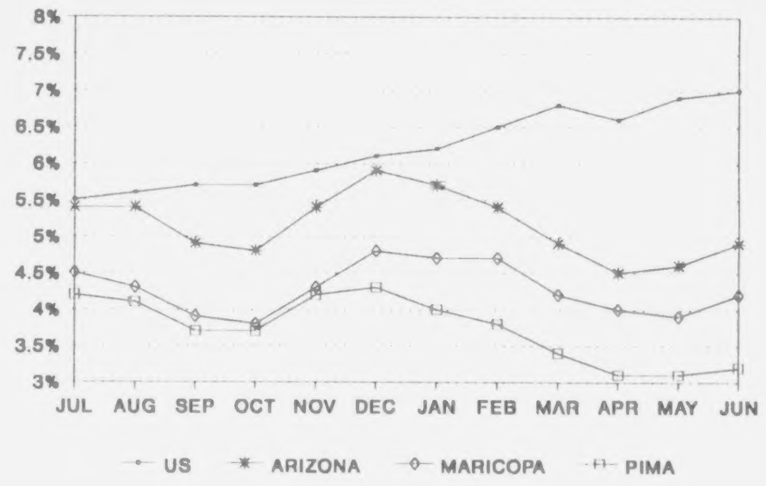
The state's two major metropolitan areas, Maricopa and Pima counties, also had over-the-month jobless rate increases. The seasonally adjusted rate in the Phoenix-area jumped three-tenths of a percent to 4.2 percent while the Tucson-area's rate rose slightly to 3.2 percent from an adjusted rate of 3.1 percent in May.

Arizona's labor force, meanwhile, grew faster than the 10-year average for June, increasing by 12,900 persons. However, all of the monthly gain was in the number of unemployed, which expanded 17,500, raising the total unemployed to 93,100. This was the largest June increase in unemployment since 1986. Total employment decreased a seasonal average 4,600.

On a somewhat positive note (at least compared to other data), total non-farm wage and salary jobs dropped a seasonally normal 25,700. Losses in government employment — due to school workers on summer hiatus — accounted for nearly all of the decrease.

Looking more closely at industry employment levels, trade showed the greatest deterioration in June with manufacturing, services, and FIRE (finance, insurance, and real estate) also having subpar performances.

Figure 1. **U.S., Arizona, Maricopa County, and Pima County Unemployment Rates, July 1990–June 1991**



Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration, July 1991

Trade lost 2,500 jobs (retail trade, -2,200, and wholesale trade, -300) when a decline of 600 is average for June. Eating and drinking places took the biggest hit (-1,700) with department stores contributing a drop of 400. Automotive stores showed weakness with half-normal seasonal rates of gain (0.9 percent, or 300 jobs) as did FIRE, which posted only a 200 gain when a gain of 600 is seasonally normal for the month.

Services gained 600 jobs, about half its normal seasonal amount. Lodging services posted nearly twice-normal seasonal cuts (-1,400), which suggests, in light of losses by restaurants and bars, that the tourist industry was cutting back with a vengeance in anticipation of slow summer activity.

Manufacturing Gains Below Norm

Manufacturing gained only 200 of its seasonally average increase of 900, implying few companies are offering summer employment to recessing students. The increase was, however, the first manufacturing gain in seven months.

Three manufacturing subindustries — stone, clay, and glass; food products; and machinery manufacturing — each gained 100 jobs in June. And while machinery manufacturing's increase is 100 below its average gain for the month, it was the sector's first employment rise in 11 months. Aircraft and missiles manufacturers posted losses of 200 (their seventh-consecutive monthly loss), which is consistent with ongoing reductions in national defense expenditures.

The brightest news among June's employment statistics came in the construction industry. Arizona construction companies added a near seasonally normal 1,800 jobs, enabling the industry to post its fourth-consecutive monthly gain. The state's construction sector, though, is still down 3,200 jobs from a year ago. But continued growth through the summer season can be expected, especially with respect to road construction in the northern counties.

TCPU (transportation, communications, and public utilities) began growing again after six-straight months of losses. TCPU added 700 jobs, 600 of which were in the transportation sector. Transportation's gain was half again a seasonally normal amount for June and remarkable in light of public reports of local airline difficulties.

Whether Arizona's economic glass is perceived as half full or half empty probably

(Continued on page 12)

Arizona Labor Force and Employment

June 1991 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				AMOUNT CHANGE					AMOUNT CHANGE					AMOUNT CHANGE	
	Jun.* 1991	May ** 1991	Jun. 1990	May - Jun.	1990 - 1991	Jun.* 1991	May ** 1991	Jun. 1990	May - Jun.	1990 - 1991	Jun.* 1991	May ** 1991	Jun. 1990	May - Jun.	1990 - 1991
TOTAL CIVILIAN LABOR FORCE* **	1728.6	1715.7	1762.1	12.9	-33.5	1083.4	1069.8	1108.9	13.6	-25.5	315.4	318.3	314.5	-2.9	0.9
Total Unemployment	93.1	75.6	106.7	17.5	-13.6	49.5	39.9	53.3	9.6	-3.8	10.9	9.2	14.8	1.7	-3.9
Unemployment Rate	5.4%	4.4%	6.1%	—	—	4.6%	3.7%	4.8%	—	—	3.5%	2.9%	4.7%	—	—
Unemployment Rate (Sea. Adj.)****	4.9%	4.6%	5.5%	—	—	4.2%	3.9%	4.5%	—	—	3.2%	3.1%	4.5%	—	—
Total Employment	1635.5	1640.1	1655.4	-4.6	-19.9	1033.9	1029.9	1055.6	4.0	-21.7	304.5	309.1	299.7	-4.6	4.8

Note: Above labor force statistics should not be used for economic assistance programs

NON-AGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
	Jun.* 1991	May ** 1991	Jun. 1990	May - Jun.	1990 - 1991	Jun.* 1991	May ** 1991	Jun. 1990	May - Jun.	1990 - 1991	Jun.* 1991	May ** 1991	Jun. 1990	May - Jun.	1990 - 1991
TOTAL WAGE AND SALARY	1496.9	1522.6	1468.4	-25.7	28.5	989.7	1000.8	977.0	-11.1	12.7	255.3	262.9	248.0	-7.6	7.3
Manufacturing	180.1	179.9	186.4	0.2	-6.3	133.9	133.8	139.2	0.1	-5.3	25.8	25.9	26.5	-0.1	-0.7
Durable Goods	134.3	134.3	141.0	0.0	-6.7	101.6	101.6	106.8	0.0	-5.2	20.1	20.2	20.8	-0.1	-0.7
Stone, Clay, and Glass	6.4	6.3	6.9	0.1	-0.5	3.6	3.5	4.1	0.1	-0.5					
Primary and Fabricated Metals	14.0	14.1	14.2	-0.1	-0.2	9.5	9.6	9.6	-0.1	-0.1					
Primary Metals	6.1	6.2	6.2	-0.1	-0.1										
Fabricated Metals	7.9	7.9	8.0	0.0	-0.1										
Machinery	56.8	56.7	60.3	0.1	-3.5	47.1	47.0	50.2	0.1	-3.1					
Aircraft and Missiles	25.8	26.0	27.5	-0.2	-1.7										
Lumber and Wood Products (Excluding Furniture)	6.3	6.3	6.7	0.0	-0.4										
Non-durable Goods	45.8	45.6	45.4	0.2	0.4	32.3	32.2	32.4	0.1	-0.1	5.7	5.7	5.7	0.0	0.0
Food and Kindred Products	10.4	10.3	9.9	0.1	0.5	7.2	7.2	6.9	0.0	0.3					
Printing and Publishing	17.0	17.0	17.2	0.0	-0.2	11.8	11.8	12.2	0.0	-0.4					
Mining and Quarrying	13.0	12.9	12.5	0.1	0.5	0.7	0.7	0.8	0.0	-0.1	2.3	2.3	2.2	0.0	0.1
Copper Mining	10.4	10.3	9.8	0.1	0.6										
Construction	80.5	78.7	83.7	1.8	-3.2	51.7	50.6	56.0	1.1	-4.3	15.8	15.4	15.2	0.4	0.6
Trans., Communications, & Public Utilities	82.0	81.3	81.4	0.7	0.6	58.5	58.1	58.0	0.4	0.5	9.5	9.4	9.5	0.1	0.0
Transportation	47.2	46.6	45.3	0.6	1.9	35.6	35.2	34.0	0.4	1.6	5.0	4.9	4.9	0.1	0.1
Communications and Public Utilities	34.8	34.7	36.1	0.1	-1.3	22.9	22.9	24.0	0.0	-1.1	4.5	4.5	4.6	0.0	-0.1
Trade	376.0	378.5	369.0	-2.5	7.0	254.1	255.1	246.9	-1.0	7.2	60.4	60.7	59.7	-0.3	0.7
Wholesale Trade	76.7	77.0	75.2	-0.3	1.5	61.6	61.6	60.6	0.0	1.0	7.5	7.5	7.6	0.0	-0.1
Retail Trade	299.3	301.5	293.8	-2.2	5.5	192.5	193.5	186.3	-1.0	6.2	52.9	53.2	52.1	-0.3	0.8
General Merchandise and Apparel	46.6	47.0	45.2	-0.4	1.4	28.5	28.6	27.6	-0.1	0.9	8.7	8.7	8.1	0.0	0.6
Food Stores	50.6	50.7	49.2	-0.1	1.4	32.2	32.3	30.9	-0.1	1.3	8.8	8.8	8.5	0.0	0.3
Automotive and Service Stations	34.9	34.6	34.8	0.3	0.1	21.9	21.7	21.6	0.2	0.3	5.5	5.5	5.7	0.0	-0.2
Eating and Drinking Places	108.3	110.0	106.1	-1.7	2.2	70.6	71.5	67.7	-0.9	2.9	19.5	19.7	19.2	-0.2	0.3
Finance, Insurance, and Real Estate	95.5	95.3	94.6	0.2	0.9	76.1	75.9	75.4	0.2	0.7	11.8	11.7	11.7	0.1	0.1
Services and Miscellaneous	421.2	420.6	408.3	0.6	12.9	283.8	284.3	276.7	-0.5	7.1	78.0	77.5	74.0	0.5	4.0
Hotels and Lodging Places	44.1	45.5	43.2	-1.4	0.9	26.9	28.2	25.9	-1.3	1.0	6.4	6.5	6.3	-0.1	0.1
Business Services*****	80.5	79.9	79.7	0.6	0.8	64.1	63.7	64.4	0.4	-0.3	11.6	11.4	10.9	0.2	0.7
Health Services	104.3	104.0	101.1	0.3	3.2	67.3	67.1	65.9	0.2	1.4	23.0	22.9	21.6	0.1	1.4
Government	248.6	275.4	232.5	-26.8	16.1	130.9	142.3	124.0	-11.4	6.9	51.7	60.0	49.2	-8.3	2.5
Federal	44.7	45.6	47.2	-0.9	-2.5										

* Preliminary
** Revised
*** Adjusted to the Current Population Survey to reflect place of residence

**** Normal seasonal variations have been eliminated to reflect underlying economic trends
***** Business Services underwent a series break between December 1987 and January 1988

Note: **Annual averages may not total correctly due to rounding**

Prepared by the Arizona Dept. of Economic Security, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

Non-metropolitan Counties
Labor Force and Employment
June 1991

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
CIVILIAN LABOR FORCE*	13,975	34,400	44,375	13,250	7,800	3,525	5,550
Total Unemployment	2,000	2,300	3,125	1,075	525	225	400
Rate	14.2%	6.7%	7.0%	8.1%	6.9%	6.3%	7.4%
Rate (Seas. Adj.)**	9.7%	6.1%	5.9%	7.9%	6.3%	6.1%	8.7%
Total Employment	11,975	32,100	41,250	12,175	7,275	3,300	5,150

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coco-nino	Gila	Graham	Green-lee	La Paz
TOTAL WAGE AND SALARY	14,775	25,025	41,275	11,650	4,900	3,475	3,950
Manufacturing	550	975	3,475	1,425	225	25	275
Mining & Quarrying	25	100	75	1,325	0	1,950	75
Construction	425	950	1,650	675	150	400	300
T.C.P.U.	1,925	1,700	2,575	525	125	50	150
Trade	1,475	5,225	10,275	2,325	1,550	300	1,300
F.I.R.E.	575	650	850	300	125	25	125
Services & Misc.	5,200	5,000	11,525	2,450	900	175	900
Government	4,600	10,425	10,850	2,625	1,825	550	825

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	38,800	26,825	37,625	11,550	42,875	49,175
Total Unemployment	2,200	3,075	2,925	1,425	1,975	11,475
Rate	5.6%	11.5%	7.8%	12.4%	4.6%	23.3%
Rate (Seas. Adj.)**	5.5%	9.3%	7.0%	10.3%	4.7%	17.0%
Total Employment	36,600	23,750	34,700	10,125	40,900	37,700

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	27,975	21,225	29,450	10,775	29,650	27,825
Manufacturing	2,525	1,975	3,425	1,000	2,500	2,075
Mining & Quarrying	50	1,250	4,075	25	1,000	50
Construction	2,800	850	675	275	2,600	1,300
T.C.P.U.	1,375	1,575	1,075	775	1,075	1,075
Trade	7,950	4,450	5,425	4,875	7,950	8,350
F.I.R.E.	1,450	450	775	275	1,025	1,000
Services & Misc.	7,200	5,600	4,850	1,800	7,650	6,175
Government	4,625	5,075	9,150	1,750	5,850	7,800

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities
F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS June* 1991	AVERAGE WEEKLY EARNINGS May** 1991	AVERAGE WEEKLY EARNINGS June 1990	AVERAGE WEEKLY HOURS June* 1991	AVERAGE WEEKLY HOURS May** 1991	AVERAGE WEEKLY HOURS June 1990	AVERAGE HOURLY EARNINGS June* 1991	AVERAGE HOURLY EARNINGS May** 1991	AVERAGE HOURLY EARNINGS June 1990
Manufacturing	$424.36	$423.06	$412.29	40.3	40.1	40.7	$10.53	$10.55	$10.13
Aircraft & Missiles	655.85	648.60	659.86	45.2	44.7	46.6	14.51	14.51	14.16
Food & Kindred Prod.	339.29	353.07	339.50	38.6	39.1	38.8	8.79	9.03	8.75
Primary Metals	491.70	500.35	494.09	38.9	38.4	36.9	12.64	13.03	13.39
Machinery	410.00	416.47	358.13	40.0	40.2	37.5	10.25	10.36	9.55
Copper Mining	649.00	646.65	608.37	44.0	43.9	44.7	14.75	14.73	13.61
Construction	451.71	438.74	462.08	37.8	36.9	38.7	11.95	11.89	11.94
Utilities	756.32	752.12	733.67	44.7	43.4	44.9	16.92	17.33	16.34
Retail Trade**	271.08	266.15	260.95	32.7	32.3	33.2	8.29	8.24	7.86
Wholesale Trade	411.65	403.64	389.27	38.4	37.9	39.4	10.72	10.65	9.88

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS June* 1991	AVERAGE WEEKLY EARNINGS May** 1991	AVERAGE WEEKLY EARNINGS June 1990	AVERAGE WEEKLY HOURS June* 1991	AVERAGE WEEKLY HOURS May** 1991	AVERAGE WEEKLY HOURS June 1990	AVERAGE HOURLY EARNINGS June* 1991	AVERAGE HOURLY EARNINGS May** 1991	AVERAGE HOURLY EARNINGS June 1990
Manufacturing	$447.53	$441.60	$440.15	41.4	40.7	41.8	$10.81	$10.85	$10.53
Construction	476.25	466.88	470.32	38.1	37.5	38.3	12.50	12.45	12.28
Retail Trade**	286.71	277.16	272.36	33.3	32.8	33.5	8.61	8.45	8.13
Wholesale Trade	433.19	430.16	396.90	38.2	37.9	38.2	11.34	11.35	10.39

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS June* 1991	AVERAGE WEEKLY EARNINGS May** 1991	AVERAGE WEEKLY EARNINGS June 1990	AVERAGE WEEKLY HOURS June* 1991	AVERAGE WEEKLY HOURS May** 1991	AVERAGE WEEKLY HOURS June 1990	AVERAGE HOURLY EARNINGS June* 1991	AVERAGE HOURLY EARNINGS May** 1991	AVERAGE HOURLY EARNINGS June 1990
Manufacturing	$412.45	$403.17	$344.41	40.2	39.8	36.6	$10.26	$10.13	$9.41
Construction	387.96	385.18	392.09	36.6	35.5	37.2	10.60	10.85	10.54
Utilities	651.65	628.31	626.50	42.9	41.5	41.6	15.19	15.14	15.06

* Preliminary.

** Revised

*** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month.
Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
June 1991

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,728,607	1,635,468	93,139	5.4%
Apache	13,959	11,971	1,988	14.2
Cochise	34,405	32,104	2,301	6.7
Coconino	44,375	41,262	3,113	7.0
Gila	13,241	12,174	1,067	8.1
Graham	7,824	7,287	537	6.9
Greenlee	3,535	3,312	223	6.3
La Paz	5,569	5,158	411	7.4
Maricopa	1,083,393	1,033,861	49,532	4.6
Mohave	38,793	36,605	2,188	5.6
Navajo	26,816	23,740	3,076	11.5
Pima	315,419	304,532	10,887	3.5
Pinal	37,646	34,712	2,934	7.8
Santa Cruz	11,568	10,135	1,433	12.4
Yavapai	42,883	40,910	1,973	4.6
Yuma	49,180	37,704	11,476	23.3

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983.
Data are not comparable to any past series.

The Arizona Labor Force in June

(Continued from page 7)

depends on the industry to which one's employment is attached. Despite deterioration in employment in some industries, there is also evidence in the June data of possible improvements to come. As noted, several industries began to change direction from employment declines to gains, albeit weak gains. Even the increasing number of unemployed can be interpreted positively. More people may now be willing to enter the labor force because they hold some hope of finding a job after many months of reported low unemployment rates.

The near-term outlook is still sanguine. Local leading indicators suggest total Arizona non-farm wage and salary jobs should begin to grow again within a few months. And the state is certain to benefit from an improving national economy.

But as the national economy improves, the Arizona unemployment rate may rise some as more people enter the state's labor force. Also, high and rising unemployment rates in California may send more job seekers into the Arizona labor force.

—Ron Simon,
RA Economic Analysis Manager

Labor Department Allocates $390 Million to Train, Employ Low-Income Seniors

Following are brief stories relating to labor issues affecting the nation and Arizona.

The U.S. Labor Department has allocated for planning year 1992 (July 1, 1991 to June 30, 1992) nearly $390 million in grants to states and terriorities to train and employ about 64,000 unemployed, low-income older workers. Authorized under the Older Americans Act, the Senior Community Service Employment Program (SCSEP) creates part-time community-service jobs for persons 55 and over who are unlikely to find work.

Positions are in areas such as day care, hospital care, home health, literacy, and forest conservation and restoration. Participants receive annual physical examinations, personal and job counseling, job training (if necessary), and in some cases placement in unsubsidized jobs. Workers receive the federal or state minimum wage, whichever is higher.

Most states solely operate their own programs, but Arizona and six other states assign responsiblity for their grants with one or more of nine national non-profit organizations and the U.S. Forest Service. Arizona primarily subcontracts with three organizations — Associacion Nacional Pro Personas Mayores, National Council on Aging, and U.S. Forest Service — to run its program, but is also extensively involved with its administration and supervision.

Last fiscal year, which ended June 30, the state funded 437 part-time (25 or less hours) positions with funding of about $2 million. And with about a $500,000 increase in funds this fiscal year, it's expected additional slots will be available.

But the impact of the funding increase will be minimized, says Maria Ramirez-Trillo, Arizona's SCSEP manager, because of an increase in the minimum wage (from $3.80 to $4.25 an hour) and the fact that some of the additional funds ($155,000) were made available because the state took over responsibility for a previously separate program for the Navajo Nation.

Ramirez-Trillo says SCSEP, which has been around for about 15 years as part of Title 5 of the Older Americans Act, is changing its focus "from income assistance to training. If (an employer) has a skilled person, then they should try to move them off (to the private sector)." Unfortunately, she says, despite some change in attitudes, employers are still reluctant to hire older workers, particularly those who are disabled.

For additional information on Arizona's program, contact the Department of Economic Security's Aging and Adult Administration at 542-4446.

ILO Seeks Action to Improve Working Conditions

Delegates at the 78th International Labour Conference (ILO) in Geneva called for tripartite action by nations to improve social and economic conditions for workers in the hotel and restaurant industry, protect workers' claims when their company becomes insolvent, and boost income and employment in Third World agriculture. About 2,000 government, employer, and worker delegates from 141 ILO member states (nations) attended the conference in late June.

The world labor group passed a convention and recommendation for hotels, restaurants, and similar establishments that calls for businesses to adopt reasonable normal hours of work, reasonable minimum daily and weekly rest periods, and compesation for work on public holidays. The convention said collective bargaining or national law should be used to decide how these practices would be implemented.

The ILO also proposed a convention for next year's conference that calls for paying workers' claims from an insolvent enterprise before claims by "non-privileged creditors" and to give a higher priority to workers' claims than most other "privileged claims," including those from the state and its social security system. ILO also recommended that institutions be created to guarantee such payments to workers.

A third major area the labor organization proposed action concerned the use of agricultrual technology to increase production and eliminate proverty in Third World countries, particularly in Africa. But the international group stressed the need to minimize the possible negative impact of these technologies on employment and workers' health, safety, and the environment. One suggestion to help developing countries included the creation of infrastructures, such as irrigation and drainage, employer and worker training policies, and dissemination of technology among small farmers.

Geographic Profile Publication Available

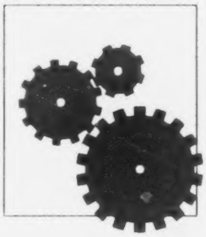
Geographic Profile of Employment and Unemployment, 1990, which offers data on employment and unemployment for regions, states, and selected metropolitan areas, was recently released by the U.S. Department of Labor's Bureau of Labor Statistics (BLS).

The geographic profile, which is published annually by BLS, covers subjects such as the proportion of unemployed who were job losers or job leavers, and the labor force participation rates of women. Many of the report's estimates are broken down by age, sex, race, Hispanic origin, marital status, full- and part-time status, and occupation and industry. All estimates are annual averages derived from the Current Population Survey (CPS), a sample survey of some 60,000 households conducted monthly for BLS by the U.S. Bureau of the Census.

Geographic Profile of Employment and Unemployment, 1990, BLS Bulletin 2381, is available for $11 by writing to the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. Make checks payable to the Superintendent of Documents. Visa and Master Card are accepted.

Harris Labs Considers Phoenix for Hub; Conair Given Incentives to Build Plant

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.



MANUFACTURING — **Harris Laboratories Inc.**, a provider of research and testing for pharmaceutical, consumer, and agricultural products, is **considering Phoenix as a site for a second hub** that will eventually **employ up to 300** highly skilled workers. The Lincoln, Neb.-based company, which already employs about 75 people at three locations in Phoenix, is also looking at sites in Charlotte and Greensboro, N.C., and Orlando, Fla.

After receiving approval for tax breaks from the state Legislature, **Conair Co.**, which manufactures consumer electronic products, is expected to **build a $10 million plant in Glendale** that will **employ around 650 people**. The legislation was approved in mid-June after the state Senate dropped a requirement that Conair pay its employees the average wage for workers in Arizona (around $10 an hour).

Operation Desert Storm not withstanding, **McDonnell Douglas Helicopter Co.** says it will **lay off 350 more workers** from its Mesa plant as part of a cost-cutting effort to keep the company competitive with other helicopter manufacturers. When cuts are completed, employment at the Mesa facility — which builds the Apache attack helicopter that was used extensively in the Persian Gulf — will be around 3,900, nearly 2,000 below levels of a few years ago. McDonnell Douglas laid off about 250 workers earlier this year.

Pending approval by the Corporation Commission, **Evergreen Pulp & Paper** plans to **build a $405 million facility near Red Rock** in Pinal County that will make newsprint from recycled paper. No details on potential employment have been made available.

Fender Musical Instruments, which manufactures and markets several brands of guitars and musical equipment, is **moving its corporate headquarters from Brea, California, to Scottsdale** in September. No information about employment is available.

An unnamed **California computer-repair company** is expected to locate a **manufacturing plant in the Phoenix area that will create as many as 200 jobs.**. An annoucement of the move is planned for late August or in September.

NEW DEVELOPMENTS

CONSTRUCTION — The first stage of a **$128 million building program at Fort Huachuca** is under way as part of the Army's plan to make the Sierra Vista post its major headquarters for worldwide intelligence training. Initial work will include construction of housing and classroom space for about 2,500 students who will be trained annually. Contractors include Hensel-Phelps Construction of Greeley, Colo; Sundt Construction Co. of Tucson; and W.R. Henderson Construction Co. of Rexburg, Idaho.

New-home sales in the Phoenix area declined 12.3 percent during the first six months of 1991, compared to the same period in 1990. However, the publisher of *Phoenix Housing Market Letter*, R.B. Brown, expects business to pick up the second half of the year, ending with sales of about 12,000 new homes, above last year's total of 11,777. Continental Homes led all builders through June with 580 sales, followed by UDC (363), Webb/Webb Coventry (310), Pulte Homes (299), and Blandford Homes (269).

TRADE — Traffic along Interstate 10 and Route 287 in **Casa Grande** should pick up shortly when work is completed on the first phases of **two factory-outlet malls** expected to include 60 stores and 250,000 square feet of retail space. **Casa Grande Factory Stores**, anchored by bedding manufacturer WestPoint Pepperell, is expected to open its door in October. **Tanger Factory Outlet Center**, anchored by a Liz Claiborne store, will open about a month later. The two malls are expected to **employ about 500 workers** and produce annual sales taxes of $900,000 for Casa Grande.

Sprouse-Reitz is **closing six of its 32 variety stores** in Arizona, forcing the **layoff of 30 employees**. Three of the stores are in the Phoenix area, while others are located in Miami-Globe, Tucson, and Lake Havasu City. The 82-year-old chain, which has 230 stores in the West, hasn't made a profit since 1987.

Albertson's Inc. plans to build its 12th supermarket in the Valley, at Greenway Road and Tatum Boulevard. The Idaho-based chain expects the store will employ about 140 people when it opens next summer.

TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES — Phoenix-based **America West Airlines** is expected to **lay off up to 500 customer-service representatives and 80 pilots** in early August due to its financial difficulties and subsequent cutback in service. America West, which filed for

bankruptcy protection in late June, employs about 15,000 workers nationwide; 9,000 in the Valley. Many of the layoffs could occur in Las Vegas, the airline's secondary hub.

A slump in the airline industry has hurt two Valley aircraft-maintenance companies. **DynAir Tech Inc. of Arizona**, which recently completed a 56,000-square-foot addition to its facility at Sky Harbor International Airport, **laid off 200 employees in early July** due to slack business. DynAir has seen its workforce shrink from 750 in March to about 200, but the company says it expects business to pick up early next year. Meanwhile, **Intertec Aviation** will **close down its facilities** at Phoenix-Goodyear Municipal Airport in mid-September, forcing 390 employees to look elsewhere for work. Intertec, which had only been in operation in Goodyear since 1987, says it will try to find work for about one-half of its employees at a sister facility in Dallas.

Tucson and Phoenix, meanwhile, are **among nine cities vying for an Alaska Airlines maintenance facility** that is expected to employ 500 workers when it initially opens in late 1993 and up to 2,000 by the end of the decade. The final site for the maintenance base, the third for the airline, should be selected later this year.

FINANCE, INSURANCE AND REAL ESTATE — **Security Pacific Bank Arizona is taking over Phoenix-based Southwest Savings** and its 1.4 billion in assets, thus completing the sale of Arizona's insolvent thrifts by the Resolution Trust Corp. Security Pacific paid $35 million for Southwest and its 47 branches, many of which will be shut down. However, Security Pacific says it will offer employment to all of the S&L's branch employees. Previously, Bank of America Arizona took over Western Savings, MeraBank, Sun State, and Pima Savings, while Security Pacific took over Security Savings.

Arizona appears to be a prime target for stock brokerage companies. **St. Louis-based Edward D. Jones & Co.** plans to **open 45 one-person offices in the Valley and 18 in the Tucson area** within the next several years. The full-service brokerage firm, which has more than 1,600 branches nationally in 47 states, currently has 12 locations in the state. Meanwhile, **Mason, Hunt & Co.** (formerly Cushman, Ramras, Cornelius & Crow), a Scottsdale financial-services company, plans to **open 15 to 20 new offices** in the Southwest within four years, with Yuma, Tucson, and Sun City likely areas for offices. Each site would have about six to 10 employees.

Tempe has been selected as the site of a consolidated **credit-card operation for Carter Hawley Hale Stores Inc.** of Los Angeles. The new center, which is expected to generate 600 jobs, will process accounts for customers of four department store chains owned by Carter Hawley Hale, including Phoenix-based Broadway Southwest. Meanwhile, **Citicorp of New York is consolidating its customer-service operations** in eight states into one location in San Antonio, which will mean the closure of a Citiphone office in north Phoenix and the **loss of about 50 jobs**. Arizona was one of several states in the hunt for Citicorp's operation, which will employ about 700 workers.

SERVICES — **HealthCare Compare/Affordable**, a health-care management company, is **opening an office in Scottsdale** in early August. A subsidiary of HealthCare Compare Corp. of Chicago, the firm will initially hire 40 people, but plans to add more positions in 1992.

Humana Desert Valley Hospital, 40th Street and Bell Road, is planning to build a three-story, **80,000-square-foot office building** on its medical campus. Construction of the $8 million facility, which will be developed by Northern Star Corp., is expected to be completed within a year.

Through acquisition and expansion of offices in the Southwest, Phoenix-based **Yellowstone Environmental Services Inc.** expects to see its **employment base increase four-fold** by the end of 1992. The environmental-engineering/consulting company, forsees its Valley workforce doubling, from 40 to about 80.

MISCELLANEOUS — The **Greater Tucson Economic Council** (GTEC) says it is **working with 123 companies considering moving to the Old Pueblo**, with 14 firms putting Tucson on its short list of sites for expansion or relocation within three to nine months. Of the 123, 85 are manufacturers and 24 are in the services sector. GTEC, which recently approved its fiscal year 1991-92 budget, also is pushing several projects aimed at helping existing businesses. These include: starting a technical excellence center that would show small businesses how to use new technology and production methods; introducing businesses to GTEC's Procurement and Purchasing Assistance Program (see *Arizona LMI Newsletter*, June 1989) that helps obtain government contracts; and expanding the border crossing in Lukeville in western Pima County.

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NEWSLETTER

Vol. XV No. 9
September 1991

Unemployment Rate

Seasonally Adjusted
July*

ARIZONA – 4.9%
Maricopa Co. – 4.4
Pima Co. – 3.4
United States – 6.8

Consumer Price Index

U.S. -- July 1991
Base = 1982-84

Wage Earner/Clerical Worker – 134.3
% Chg. Year Ago – 4.4

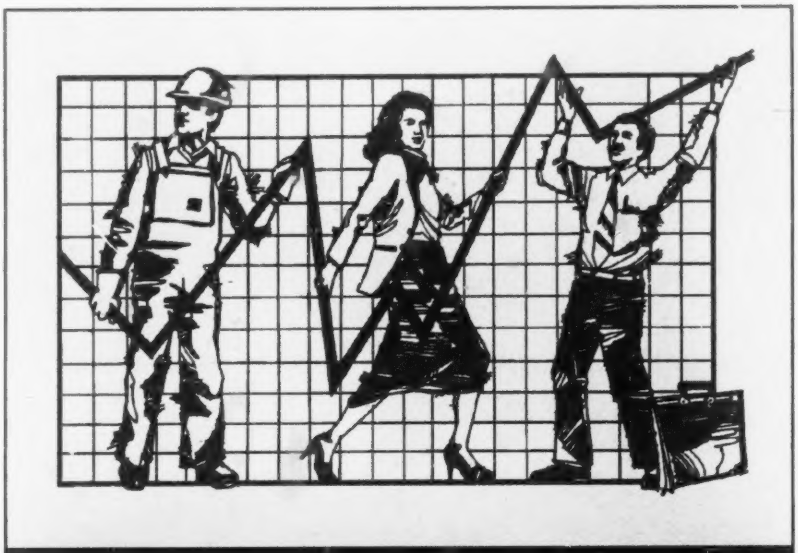
All Urban – 136.2
% Chg. Year Ago – 4.4

Phoenix – 2nd Qtr 1991
Base = 1982-84

All Urban – 136.3
% Chg. Year Ago – 3.4

Tucson CPI No Longer Available (see May 1991 *Arizona LMI Newsletter*)

* Preliminary



Forecast Update

'91-'92

Research Administration Issues Revised Two-Year Employment Projections

Inside This Issue **Page**

Arizona Job Growth Expected to Pick Up in '92 2
Key Variables Used to Forecast State's Employment 2
The Arizona Labor Force in July 7
Arizona Labor Force Statistics 8
New Developments 13
News in Brief 15

Arizona Department of Economic Security
— Moving People Toward Self-Sufficiency

State's Dry Spell for Job Growth Should End in '92

Note: The updated 1991-92 economic forecast for Arizona and its major substate areas was prepared prior to the release of revised U.S. Gross National Product (GNP) data in late August, which showed a drop in GNP of 0.1 percent in the second quarter of 1991 instead of a gain of 0.4 percent, as preliminary figures in July had indicated. Due to mid-August deadlines for a press release and this newsletter, assumptions made about employment and other economic data for this forecast were based on earlier GNP figures. The following article represents our view of Arizona's economy at that point in time.

Preliminary data on U.S. gross national product (GNP) released in July indicate that the national economy began a modest recovery in the second quarter of 1991. After a two-quarter decline in GNP, revitalized spending by consumers led to second-quarter real GNP growth of 0.4 percent on an annualized basis.

While some economists are pessimistic about a recovery, most do not believe the country will head back into recession anytime soon. The Arizona Department of Economic Security's Research Administration also believes the national recession has run its course and, as part of its updated employment forecast, anticipates growth in Arizona's total wage and salary employment to bottom out in 1991, before returning to near-normal levels in 1992.

Preliminary wage and salary employment figures for the first half of 1991 show Arizona's rate of job growth was 1.9 percent for the June 1990 to June 1991 period. This compares to a rate of 2.6 percent for the year ended June 1990.

The slowdown in the state's job growth can be attributed to the national recession. Declines in real defense spending, a credit crunch, and a slowdown in consumer spending all contributed to subdued growth in Arizona. Because of these recessionary effects, Arizona's rate of job growth this year will end up being the slowest since 1982 when wage and salary employment fell 1.1 percent.

Arizona

Research Administration's updated forecast for 1991 calls for job growth to bottom out at 1.7 percent (25,900 jobs). The Arizona economy should then pick up steam in 1992 — due to expected improvement in the national economy — growing at a rate of 3.1 percent (46,600 jobs).

The forecast for the remainder of 1991 calls for a general weakness in all of Arizona's industries with construction, manufacturing, and TCPU (transportation, communications, and public utilities) bearing the brunt of the slowdown. Then, as the nation's economy picks up speed in 1992, so should Arizona's; with the exception of the state's construction and manufacturing sectors, which are still expected to experience below-average job growth.

Services, which accounts for more than one-quarter of Arizona's wage and salary positions, continues to be a stellar performer in terms of job creation and the rate of growth. Business services and health services led the way in 1990, creating 17,900 additional jobs (4.6 percent growth).

Services is not immune to a slower national economy, but is expected to expand a respectable 3.5 percent in 1991, creating 14,200 more jobs. Growth in services is forecast to pick up in 1992, averaging 3.7 percent with the addition of 15,400 jobs.

Arizona's government sector (federal, state, and local) also experienced strong growth in 1990, adding 11,200 jobs (4.5 percent growth). Particularly strong were the federal and school sectors. While schools should continue to exhibit strength the rest of the year, the federal sector will likely experience much slower growth.

Government is forecast to create 8,200 additional jobs, growing at a rate of 3.2 percent in 1991. The outlook should be better for 1992 with 9,700 jobs being created and growth pegged at 3.6 percent.

Trade began to exhibit signs of weakness in 1990, growing a scant 1.6 percent (5,900 jobs). The fallout in food stores hit both convenience stores and regional grocery chains, but overall sector growth was still positive. Automotive and service-station employment actually contracted as did that of the catch-all sector of "other retail."

Key Indicators Used to Forecast State's Outlook

Each year, the Department of Economic Security, Research Administration (RA) issues a two-year forecast of labor force and wage and salary employment for the state and its three major substate regions — Maricopa, Pima, and the nonmetropolitan counties — which is published in the March issue of the *Arizona Labor Market Information Newsletter*. Six months later, the forecasts are updated to reflect new economic data and assumptions, then detailed in the September *Arizona LMI Newsletter*.

RA's employment forecasts are based upon assumptions made about key indicators (e.g., inflation, interest rates) and how they relate to the nation's and Arizona's economy. National economic variables and underlying assumptions derived by The WEFA Group (formerly Wharton Econometric Forecasting Associates) are instrumental in developing Arizona's economic forecast and are major components of the Arizona Employment Forecasting Model (AEFM).

The AEFM is a 250-equation econometric model that simulates

(Continued on page 12)

Despite 1990's poor performance, trade is forecast to add 8,600 jobs (2.3 percent growth) in 1991. Growth in 1992 should be even better with trade expected to expand 3.3 percent (12,400 positions). Expectations of restored consumer confidence, a rebound in tourist activity, new business openings, and the lack of further declines in major subindustries all contribute to trade's outlook.

FIRE (finance, insurance, and real estate) rebounded in 1990 after two years on the down side. FIRE is forecast to hold its own in the near-term as additions in the credit-card servicing and mortgage-refinance businesses should help to offset losses in general banking and savings and loans.

FIRE is expected to create 2,100 jobs in 1991, growing at a rate of 2.2 percent, about the same as in 1990. In 1992, growth should accelerate to 3.5 percent (3,400 jobs), more consistent with population growth.

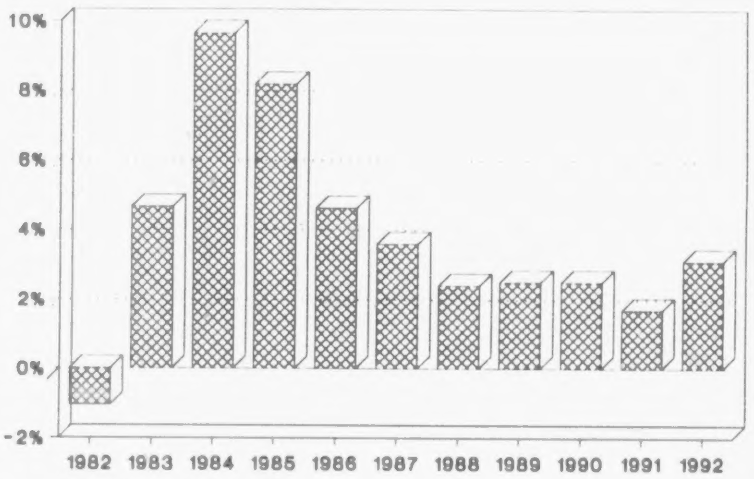
TCPU had a banner year in 1990 with the addition of 5,100 jobs and growth averaging 6.6 percent. Expansion among air carriers doing business in Arizona was responsible for almost all of these gains.

The forecast for 1991 calls for a sizable slowdown in TCPU employment growth to 0.1 percent (100 jobs), but job growth will likely pick up to 2.3 percent (1,900 jobs) in 1992. This forecast takes into consideration the problems air carriers are experiencing both locally and nationwide as well as difficulties particular to Arizona's electricity-generating public utilities.

The mining industry continued to create jobs in 1990. Stable copper prices will ensure expansion in the near-term with the mining industry expected to grow 5.6 percent (700 jobs) in 1991. Growth in mining employment is forecast to slow in 1992 to 2.3 percent (300 jobs).

Manufacturing employment declined 1.5 percent, or 2,800 jobs, in 1990. In line with national trends, durable-goods manufacturing (especially lumber and wood, aggregates, primary metals, and machinery) were hit the hardest. However, non-durable goods also had a poor showing.

Figure 1. **Arizona Wage and Salary Employment Growth Rates, Actual (1982-90) and Projected**



Source: Arizona Department of Economic Security, Research Administration, August 1991

Table 1. **Arizona Labor Force and Employment Data, Actual (1990) and Projected (1991-92) (Annual Averages, In Thousands)**

	1990	Growth Rate	1991	Growth Rate	1992	Growth Rate
Labor Force	1,726.0	1.2%	1,737.6	0.7%	1,790.4	3.0%
Unemployment	92.0	3.4%	93.2	1.3%	98.2	5.4%
Unemployment rate	5.3%		5.4%		5.5%	
Total Employment	1,634.0	1.1%	1,644.4	0.6%	1,692.2	2.9%
Total Wage and Salary Employment	1,490.9	2.5%	1,516.8	1.7%	1,563.4	3.1%
Manufacturing	185.4	-1.5%	181.0	-2.4%	183.0	1.1%
Mining	12.4	1.6%	13.1	5.6%	13.4	2.3%
Construction	82.8	-3.5%	79.1	-4.5%	80.6	1.9%
TCPU*	81.9	6.6%	82.0	0.1%	83.9	2.3%
Trade	370.3	1.6%	378.9	2.3%	391.3	3.3%
FIRE*	94.6	2.2%	96.7	2.2%	100.1	3.5%
Services	406.0	4.6%	420.2	3.5%	435.6	3.7%
Government	257.6	4.5%	265.8	3.2%	275.5	3.6%

* See Figure 2

Note: Totals may not add due to rounding

Source: Arizona Department of Economic Security, Research Administration, August 1991

In 1991, manufacturing is expected to continue to flounder with the loss of 4,400 jobs, or a decline of 2.4 percent. Growth should be positive in 1992 with the addition of 2,000 jobs (1.1 percent growth).

The construction industry still remains plagued by structural problems of a nature that will not be remedied any time soon. Although Arizona's population is expanding and interest rates have recently taken favorable swings, these factors are not enough to offset oversupply conditions that exist in almost all sectors of real estate.

A 3.5 percent decline in construction employment in 1990 represented the fourth-straight year of losses that cumulatively amount to more than 30,000 jobs. For 1991, a contraction of 4.5 percent, or a loss of 3,700 jobs, is forecast. Nominal expansion of 1.9 percent, or 2,000 jobs, is expected in 1992.

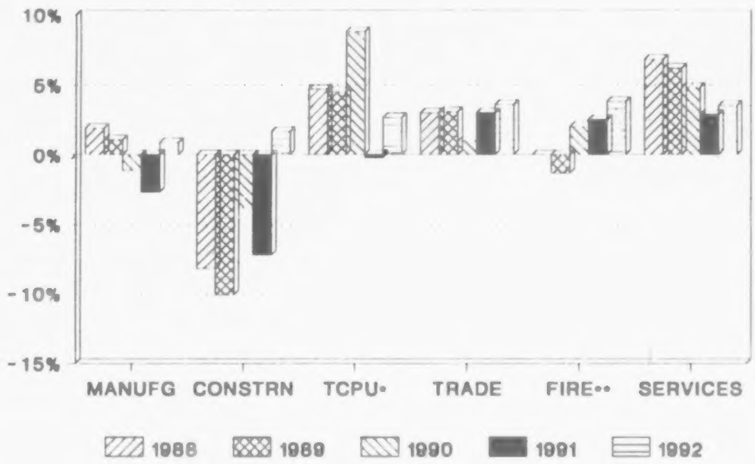
Finally, Arizona's seasonally adjusted unemployment rate is expected to creep up in 1991 and 1992 with total unemployment growing at a slightly faster pace than total employment in both years. The seasonally adjusted jobless rate should average 5.4 percent in 1991 and 5.5 percent in 1992. The state's unemployment rate averaged 5.3 percent this past year.

Overall, Arizona's economic outlook remains positive for the next two years. Despite the effects of a national recession, Arizona's economy should continue to expand. However, further external shocks to an already weak economy might derail the state's expected recovery.

Maricopa County

The updated forecast for Maricopa County calls for slower wage and salary growth in 1991 than originally forecast with slightly stronger growth predicted for 1992. Manufacturing, construction, and TCPU are all expected to grow at a slower pace in 1991 than originally forecast in February.

Figure 2. **Maricopa County Employment Growth Rates, In Selected Industries, Actual (1988-1990) and Projected (1991-92)**



*TCPU = TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES
**FIRE = FINANCE, INSURANCE, AND REAL ESTATE

Source: *Arizona Department of Economic Security, Research Administration, August 1991*

Table 2. **Maricopa County Labor Force and Employment Data, Actual (1990) and Projected (1991-92) (Annual Averages, In Thousands)**

	1990	Growth Rate	1991	Growth Rate	1992	Growth Rate
Labor Force	1,074.5	1.3%	1,080.0	0.5%	1,114.6	3.2%
Unemployment	46.4	2.2%	48.7	5.0%	51.0	4.7%
Unemployment rate	4.3%		4.5%		4.6%	
Total Employment	1,028.1	1.3%	1,031.3	0.3%	1,063.6	3.1%
Total Wage and Salary Employment	985.6	2.5%	1,000.1	1.5%	1,031.9	3.2%
Manufacturing	138.2	-1.1%	134.5	-2.7%	135.7	0.9%
Mining	0.8	0.0%	0.7	-12.5%	0.7	0.0%
Construction	55.5	-3.8%	51.5	-7.2%	52.4	1.7%
TCPU*	58.4	8.8%	58.3	-0.2%	59.9	2.7%
Trade	248.2	1.0%	255.6	3.0%	264.9	3.6%
FIRE*	75.4	2.0%	77.3	2.5%	80.2	3.8%
Services	275.9	4.8%	283.9	2.9%	293.9	3.5%
Government	133.3	5.1%	138.2	3.7%	144.1	4.3%

* See Figure 2

Note: Totals may not add due to rounding

Source: *Arizona Department of Economic Security, Research Administration, August 1991*

Manufacturing has been hurt by a cutback in consumer spending that continues to plague the Arizona and national economies. Fears of a dip back into recession may be most responsible, as consumers wait to make major purchases — automobiles, appliances, furniture — until they are certain the economy has recovered.

Meanwhile, the construction industry is still being hurt by structural problems that have led to an oversupply of both commercial and residential real estate in Maricopa County. A monetary policy geared toward the reduction of inflation has led to tight credit policies that have also slowed new construction. Also, employment in TCPU has slowed as a result of the much publicized problems with America West Airlines and cutbacks at Arizona's electricity-generating public utilities.

The updated forecast for 1991 calls for manufacturing and TCPU, which originally were forecast to have positive rates of growth in 1991 (0.7 and 1.9 percent, respectively) to have losses this year of 2.7 and 0.2 percent. Construction is also expected to be worse off than earlier forecast (-2.2 percent growth) with an employment slide of 7.2 percent.

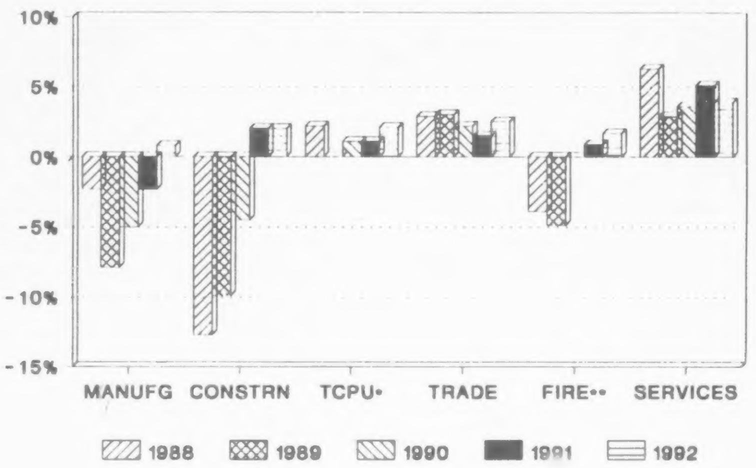
For 1992, manufacturing employment growth should remain slow (0.9 percent) while construction and TCPU are expected to show modest improvements. Construction is expected to grow at a rate of 1.7 percent in 1992 with TCPU coming in at 2.7 percent. Trade and government are likely to show the most improvement with forecast growth rates next year of 3.6 percent and 4.3 percent, respectively.

Finally, the 1991 unemployment rate for Maricopa County should come in lower than originally forecast due to slower growth in total employment and much slower growth in total unemployment. The seasonally adjusted unemployment rate for Maricopa County is expected to average 4.5 percent this year, revised downward from 4.9 percent, with the rate for 1992 still pegged at 4.6 percent.

Pima County

The updated forecast for Pima County calls for moderate wage and salary growth through 1992. An additional 1,900 jobs

Figure 3. **Pima County Employment Growth Rates, In Selected Industries, Actual (1988-90) and Projected (1991-92)**



*TCPU = TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES
**FIRE = FINANCE, INSURANCE, AND REAL ESTATE

Source: Arizona Department of Economic Security, Research Administration, August 1991

Table 3. **Pima County Labor Force and Employment Data, Actual (1990) and Projected (1991-92) (Annual Averages, In Thousands)**

	1990	Growth Rate	1991	Growth Rate	1992	Growth Rate
Labor Force	313.7	-0.7%	318.7	1.6%	331.2	3.9%
Unemployment	12.9	-8.5%	11.1	-14.0%	12.3	10.8%
Unemployment rate	4.1%		3.5%		3.7%	
Total Employment	300.8	-0.4%	307.6	2.3%	318.8	3.6%
Total Wage and Salary Employment	253.9	1.5%	260.4	2.6%	268.1	3.0%
Manufacturing	26.5	-5.0%	25.9	-2.3%	26.1	0.8%
Mining	2.2	4.8%	2.4	9.1%	2.5	4.2%
Construction	14.8	-4.5%	15.1	2.0%	15.4	2.0%
TCPU*	9.5	1.1%	9.6	1.1%	9.8	2.1%
Trade	60.2	2.2%	61.1	1.5%	62.6	2.5%
FIRE*	11.7	0.0%	11.8	0.9%	12.0	1.7%
Services	74.0	3.6%	77.8	5.1%	80.8	3.9%
Government	55.1	3.4%	56.8	3.1%	58.8	3.5%

* See Figure 3

Note: Totals may not add due to rounding

Source: Arizona Department of Economic Security, Research Administration, August 1991 are expected to be created in 1991 and 3,000 in 1992.

Services are expected to lead all major industry groups — up an additional 1,300 positions in both forecast years — with the catchall sector of "other services" providing most of the gains. The construction industry in Pima County is also expected to rebound with an additional 700 jobs expected this year and 900 in 1992. Trade and FIRE are expected to perform at a reduced pace in both forecast years.

The rate of growth in the number of unemployed in Pima County has dropped sharply in the first half of 1991 and, as a result, Research Administration is revising downward its forecasted 1991 unemployment rate for Pima County to 3.5 percent from 4.6 percent. In 1992, Pima County's unemployment rate is expected to edge up to 3.7 percent.

Non-metropolitan Counties

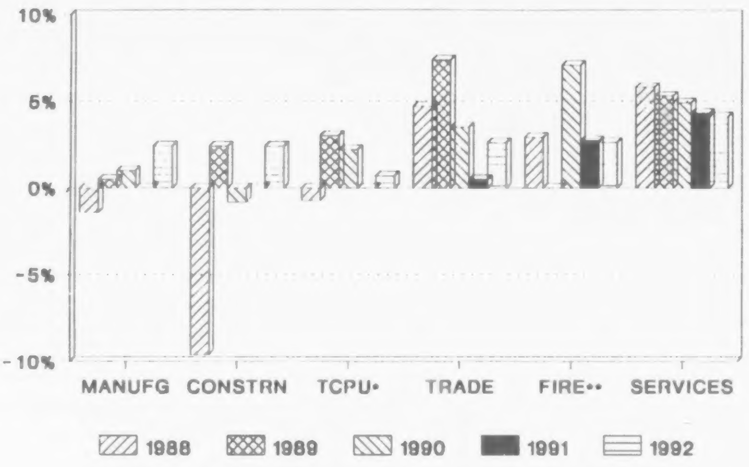
The revised forecast for Arizona's non-metropolitan counties calls for slower wage and salary employment growth in 1991 and 1992 than earlier forecasted. Payroll employment is expected to come in at 2.0 percent in 1991 and 2.7 percent in 1992, which translates into 2,400 fewer wage and salary positions than earlier predicted for this year and 4,600 fewer payroll jobs for 1992.

The revised outlook for 1991 calls for trade to add 300 jobs, 1,600 fewer than earlier forecast, while manufacturing employment is now forecast to remain at 1990 levels. Services and government are now expected to add a combined 4,000 positions.

In 1992, all major industry groups in Arizona's rural counties, except services, are expected to grow slower than previously forecasted. Trade and government should slow the most in 1992 with growth rates of 2.6 and 2.5 percent, respectively, down 0.2 percent from the February forecast.

—Dennis Doby
RA Economist

Figure 4. **Non-metropolitan Counties Employment Growth Rates, In Selected Industries, Actual (1988-90) and Projected (1991-92)**



*TCPU - TRANSPORTATION, COMMUNICATIONS, AND PUBLIC UTILITIES
**FIRE - FINANCE, INSURANCE, AND REAL ESTATE

Source: *Arizona Department of Economic Security, Research Administration, August 1991*

Table 4. **Non-metropolitan Counties Labor Force and Employment Data, Actual (1990) and Projected (1991-92) (Annual Averages, In Thousands)**

	1990	Growth Rate	1991	Growth Rate	1992	Growth Rate
Labor Force	337.8	2.6%	338.8	0.3%	344.7	1.7%
Unemployment	32.7	10.8%	33.4	2.1%	34.9	4.5%
Unemployment rate	9.7%		9.9%		10.1%	
Total Employment	305.1	1.8%	305.5	0.1%	309.8	1.4%
Total Wage and Salary Employment	251.4	3.5%	256.4	2.0%	263.3	2.7%
Manufacturing	20.7	1.0%	20.7	0.0%	21.2	2.4%
Mining	9.4	1.1%	10.0	6.4%	10.1	1.0%
Construction	12.5	-0.8%	12.5	0.0%	12.8	2.4%
TCPU*	14.0	2.2%	14.0	0.0%	14.1	0.7%
Trade	61.9	3.5%	62.2	0.5%	63.8	2.6%
FIRE*	7.5	7.1%	7.7	2.7%	7.9	2.6%
Services	56.1	4.9%	58.5	4.3%	60.9	4.1%
Government	69.2	4.4%	70.8	2.3%	72.6	2.5%

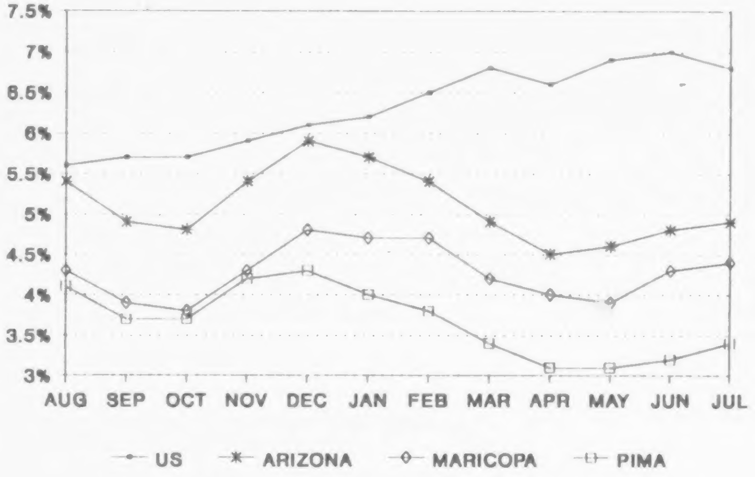
* See Figure 4

Note: Totals may not add due to rounding

Source: *Arizona Department of Economic Security, Research Administration, August 1991*

The Arizona Labor Force in July

Figure 1. U.S., Arizona, Maricopa County, and Pima County Unemployment Rates, August 1990–July 1991



Source: U.S. Department of Labor, Bureau of Labor Statistics; and Arizona Department of Economic Security, Research Administration, August 1991

Arizona total unemployment rose marginally (1,400) in July, helping raise the state's seasonally adjusted unemployment rate a tenth of a point to 4.9 percent. The metropolitan areas of Phoenix and Tucson had similar marginal increases. Unemployment rates rose in six and fell in six of the rural counties.

Both Arizona residence-based total employment and establishment-based wage and salary employment decreased by amounts close to the seasonal norm. Total employment declined 13,600 and wage and salary employment fell 17,600.

The government sector was most responsible for the seasonal decline, losing 12,200 jobs. As in June, the lion's share of the drop was in schools. Normal summer decreases in school staffing and work-study programs caused the decline.

The most positive news from the July statistics was yet another greater-than-seasonal increase in construction employment. Construction posted a gain of 800 jobs when increases of 300 have been average in July over the last 10 years.

July was the fifth-consecutive month for construction employment gains, although total construction jobs were still down 4,300, or 5.0 percent from a year ago. All of the job gains were in the metropolitan Phoenix and Tucson areas with eight out of 10 in the Phoenix area.

Continued easing of interest rates by the Federal Reserve will help sustain gains in construction jobs. But perennially high vacancy rates among existing multi-family dwellings — as well as among office, retail, and industrial facilities — will constrain growth below any rates that might resemble a boom.

Other positive news came from the business-services and health-services components of the services industry. Business services added 1,500 jobs — nearly twice its normal seasonal amount — while health services added 300 jobs when the July norm is a loss of 100.

Unfortunately, lodging services had greater-than-seasonal losses (-1,800 when -1,400 is average), so the overall services sector posted a seasonally-average net loss of 1,700 jobs. Positive growth, however, can be expected to return to the services sector, the state's major economic engine, in the fall.

Improved Business Services Good Sign

The improvement in business services may be evidence that the national recession's lagged effects in Arizona will soon be over. Business services is dominated by temporary-help services firms, and just as temporary help is the first to be let go during a downturn, it is often the first to be hired when the economy improves.

Trade posted its fourth month of decline, but dropped only 3,200 jobs, more than a thousand fewer than average in July. Although consumer confidence in the recovery is still weak, trade should begin growing again in August as family needs for back-to-school supplies and clothing draw them out to the shopping malls.

Despite rampant publicity of impending layoffs by the Arizona air transportation industry, the state's transportation sector gained 100 jobs in July. Pima and the non-metropolitan counties carried the industry to the positive side of the ledger in spite of losses (-300) in Maricopa County. Publicly announced staffing of the new American Airlines reservations center in Tucson probably played a large part in sustaining transportation job growth for the third-consecutive month.

Continuing bad news in Arizona manufacturing, however, lends credence to the conclusion of many analysts that the nation's recovery will be weak. Losses of 1,300 Arizona manufacturing jobs in July resumed the downward trend interrupted in June when 300 jobs were added. Since July 1990, 7,000 manufacturing jobs have been lost, a decline of 3.8 percent.

A significant portion of Arizona's July manufacturing job loss was in the aircraft and missiles component (-500), which alone has lost 2,400 jobs over-the-year. Another 700 were lost in July by nondurable goods manufacturing.

—Ron Simon
RA Economic Analysis Manager

Arizona Labor Force and Employment

July 1991 (in Thousands)

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
				AMOUNT CHANGE					AMOUNT CHANGE					AMOUNT CHANGE	
	Jul.* 1991	Jun.** 1991	Jul. 1990	Jun. - Jul.	1990 - 1991	Jul.* 1991	Jun.** 1991	Jul. 1990	Jun. - Jul.	1990 - 1991	Jul.* 1991	Jun.** 1991	Jul. 1990	Jun. - Jul.	1990 - 1991
TOTAL CIVILIAN LABOR FORCE***	1716.7	1728.9	1727.2	-12.2	-10.5	1074.4	1082.6	1078.9	-8.2	-4.5	314.2	315.7	313.5	-1.5	0.7
Total Unemployment	94.2	92.8	104.3	1.4	-10.1	49.6	49.6	50.8	0.0	-1.2	11.3	11.0	13.7	0.3	-2.4
Unemployment Rate	5.5%	5.4%	6.0%	—	—	4.6%	4.6%	4.7%	—	—	3.6%	3.5%	4.4%	—	—
Unemployment Rate (Sea. Adj.)****	4.9%	4.8%	5.4%	—	—	4.4%	4.3%	4.5%	—	—	3.4%	3.2%	4.2%	—	—
Total Employment	1622.5	1636.1	1622.9	-13.6	-0.4	1024.8	1033.0	1026.1	-8.2	-3.3	302.9	304.7	299.8	-1.8	3.1

Note: Above labor force statistics should not be used for economic-assistance programs

NON-AGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

	ARIZONA					MARICOPA COUNTY					PIMA COUNTY				
TOTAL WAGE AND SALARY	1480.8	1498.4	1458.6	-17.6	22.2	978.2	989.3	970.0	-11.1	8.2	252.5	255.6	245.6	-3.1	6.9
Manufacturing	178.9	180.2	185.9	-1.3	-7.0	132.7	133.8	139.0	-1.1	-6.3	25.7	25.9	26.5	-0.2	-0.8
Durable Goods	133.9	134.5	140.5	-0.6	-6.6	101.3	101.6	106.6	-0.3	-5.3	19.9	20.2	20.8	-0.3	-0.9
Stone, Clay, and Glass	6.3	6.4	6.7	-0.1	-0.4	3.5	3.6	3.9	-0.1	-0.4					
Primary and Fabricated Metals	14.1	14.0	14.0	0.1	0.1	9.6	9.5	9.5	0.1	0.1					
Primary Metals	6.1	6.1	6.0	0.0	0.1										
Fabricated Metals	8.0	7.9	8.0	0.1	0.0										
Machinery	57.0	56.9	60.1	0.1	-3.1	47.2	47.1	50.0	0.1	-2.8					
Aircraft and Missiles	25.3	25.8	27.7	-0.5	-2.4										
Lumber and Wood Products (Excluding Furniture)	6.5	6.4	6.8	0.1	-0.3										
Nondurable Goods	45.0	45.7	45.4	-0.7	-0.4	31.4	32.2	32.4	-0.8	-1.0	5.8	5.7	5.7	0.1	0.1
Food and Kindred Products	10.4	10.3	10.0	0.1	0.4	7.0	7.0	7.0	0.0	0.0					
Printing and Publishing	16.9	17.0	17.3	-0.1	-0.4	11.7	11.8	12.3	-0.1	-0.6					
Mining and Quarrying	13.1	13.1	12.1	0.0	1.0	0.7	0.7	0.8	0.0	-0.1	2.4	2.3	2.2	0.1	0.2
Copper Mining	10.5	10.5	9.4	0.0	1.1										
Construction	80.9	80.1	85.2	0.8	-4.3	52.3	51.4	57.0	0.9	-4.7	15.8	15.7	15.0	0.1	0.8
Trans., Communications, & Public Utilities	82.3	82.2	81.2	0.1	1.1	57.9	58.3	57.8	-0.4	0.1	10.3	10.0	9.5	0.3	0.8
Transportation	47.6	47.5	45.0	0.1	2.6	35.1	35.4	33.6	-0.3	1.5	5.8	5.5	4.9	0.3	0.9
Communications and Public Utilities	34.7	34.7	36.2	0.0	-1.5	22.8	22.9	24.2	-0.1	-1.4	4.5	4.5	4.6	0.0	-0.1
Trade	373.6	376.8	364.8	-3.2	8.8	252.0	254.4	244.0	-2.4	8.0	60.2	60.4	59.1	-0.2	1.1
Wholesale Trade	76.1	76.8	74.3	-0.7	1.8	61.5	61.8	60.2	-0.3	1.3	7.4	7.5	7.4	-0.1	0.0
Retail Trade	297.5	300.0	290.5	-2.5	7.0	190.4	192.6	183.8	-2.2	6.6	52.8	52.9	51.7	-0.1	1.1
General Merchandise and Apparel	46.9	47.1	45.0	-0.2	1.9	28.4	28.8	27.3	-0.4	1.1	8.8	8.7	8.3	0.1	0.5
Food Stores	50.4	50.3	49.0	0.1	1.4	32.0	32.2	30.7	-0.2	1.3	8.8	8.7	8.6	0.1	0.2
Automotive and Service Stations	35.0	34.9	35.0	0.1	0.0	21.9	21.9	21.7	0.0	0.2	5.7	5.6	5.7	0.1	0.0
Eating and Drinking Places	107.0	109.0	104.2	-2.0	2.8	69.2	70.7	66.3	-1.5	2.9	19.3	19.6	18.7	-0.3	0.6
Finance, Insurance, and Real Estate	95.2	95.3	94.8	-0.1	0.4	76.0	76.0	75.6	0.0	0.4	11.7	11.8	11.7	-0.1	0.0
Services and Miscellaneous	419.3	421.0	406.1	-1.7	13.2	282.2	283.9	274.5	-1.7	7.7	77.7	77.7	73.7	0.0	4.0
Hotels and Lodging Places	42.3	44.1	42.1	-1.8	0.2	25.3	26.9	25.1	-1.6	0.2	6.1	6.3	5.9	-0.2	0.2
Business Services*****	81.8	80.3	79.6	1.5	2.2	65.2	63.9	64.2	1.3	1.0	11.7	11.6	11.1	0.1	0.6
Health Services	104.6	104.3	101.4	0.3	3.2	67.6	67.3	66.1	0.3	1.5	23.0	22.9	21.7	0.1	1.3
Government	237.5	249.7	228.5	-12.2	9.0	124.4	130.8	121.3	-6.4	3.1	48.7	51.8	47.9	-3.1	0.8
Federal	44.7	45.2	47.5	-0.5	-2.8										

* Preliminary
** Revised
*** Adjusted to the Current Population Survey to reflect place of residence
**** Normal seasonal variations have been eliminated to reflect underlying economic trends
***** Business Services underwent a series break between December 1987 and January 1988

Note: Annual averages may not total correctly due to rounding

Prepared by the Arizona Dept. of Economic Security, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

Non-metropolitan Counties
Labor Force and Employment
July 1991

	Apache	Cochise	Coconino	Gila	Graham	Greenlee
CIVILIAN LABOR FORCE*	13,725	34,550	44,825	13,600	8,300	3,500
Total Unemployment	2,175	2,225	3,050	1,075	525	175
Rate	15.9%	6.4%	6.8%	7.8%	6.3%	5.3%
Rate (Seas. Adj.)**	10.8%	6.1%	5.8%	7.8%	5.9%	5.2%
Total Employment	11,550	32,325	41,775	12,525	7,775	3,325

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	Apache	Cochise	Coconino	Gila	Graham	Greenlee
TOTAL WAGE AND SALARY	14,525	25,025	41,700	11,925	5,150	3,475
Manufacturing	550	1,000	3,500	1,475	225	25
Mining & Quarrying	25	100	75	1,375	0	1,950
Construction	425	975	1,675	675	150	375
T.C.P.U.	1,925	1,700	2,600	550	125	50
Trade	1,500	5,075	10,300	2,425	1,600	300
F.I.R.E.	500	650	875	300	125	25
Services & Misc.	5,275	5,025	11,675	2,450	850	175
Government	4,325	10,500	11,000	2,675	2,075	575

	La Paz	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
CIVILIAN LABOR FORCE*	5,500	39,250	26,425	37,850	11,275	42,500	46,850
Total Unemployment	425	2,250	3,250	2,900	1,600	1,925	11,675
Rate	7.6%	5.7%	12.3%	7.7%	14.2%	4.5%	24.9%
Rate (Seas. Adj.)**	7.1%	5.7%	9.6%	7.0%	9.9%	4.5%	14.8%
Total Employment	5,075	37,000	23,175	34,950	9,675	40,575	35,175

THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED
FOR ECONOMIC ASSISTANCE PROGRAMS

	La Paz	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL WAGE AND SALARY	3,950	27,925	20,900	29,225	10,275	29,225	27,050
Manufacturing	275	2,525	2,075	3,425	850	2,500	2,075
Mining & Quarrying	75	50	1,250	4,075	25	1,025	50
Construction	300	2,675	825	625	275	2,450	1,350
T.C.P.U.	150	1,400	1,600	1,125	725	1,100	1,050
Trade	1,275	8,400	4,400	5,425	4,550	8,025	8,150
F.I.R.E.	100	1,425	475	775	275	1,025	1,000
Services & Misc.	925	7,225	5,625	4,975	1,800	7,475	6,025
Government	850	4,225	4,650	8,800	1,775	5,625	7,350

* Adjusted to the Current Population Survey (CPS) to reflect place of residence.

** Seasonal adjustment not applicable for economic assistance programs.

T.C.P.U. = Transportation, Communications, and Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

Estimated Hours and Earnings of Production Workers in Selected Industries
Arizona

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	July* 1991	June** 1991	July 1990	July* 1991	June** 1991	July 1990	July* 1991	June** 1991	July 1990
Manufacturing	$428.00	$430.52	$414.69	40.0	40.5	40.3	$10.70	$10.63	$10.29
Aircraft & Missiles	665.85	657.30	662.16	45.7	45.3	46.5	14.57	14.51	14.24
Food & Kindred Prod.	343.60	344.37	358.70	37.8	39.0	39.9	9.09	8.63	8.99
Primary Metals	494.13	494.22	523.64	39.0	39.1	38.0	12.67	12.64	13.78
Machinery	428.49	429.71	351.22	40.5	40.5	36.7	10.58	10.61	9.57
Copper Mining	648.61	649.00	571.56	42.7	44.0	43.3	15.19	14.75	13.20
Construction	452.90	447.12	460.75	37.9	37.7	38.3	11.95	11.86	12.03
Utilities	761.24	761.24	699.20	43.4	44.7	43.7	17.54	17.03	16.00
Retail Trade**	273.13	274.03	264.47	32.4	32.7	33.1	8.43	8.38	7.99
Wholesale Trade	409.96	409.34	390.78	38.1	38.4	39.0	10.76	10.66	10.02

Estimated Hours and Earnings of Production Workers in Selected Industries
Maricopa County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	July* 1991	June** 1991	July 1990	July* 1991	June** 1991	July 1990	July* 1991	June** 1991	July 1990
Manufacturing	$454.40	$455.54	$446.84	40.9	41.3	41.8	$11.11	$11.03	$10.69
Construction	478.75	473.86	469.68	38.3	38.0	38.0	12.50	12.47	12.36
Retail Trade**	283.47	287.05	273.08	33.0	33.3	33.1	8.59	8.62	8.25
Wholesale Trade	430.87	431.20	398.87	38.3	38.5	37.7	11.25	11.20	10.58

Estimated Hours and Earnings of Production Workers in Selected Industries
Pima County

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	July* 1991	June** 1991	July 1990	July* 1991	June** 1991	July 1990	July* 1991	June** 1991	July 1990
Manufacturing	$409.86	$413.10	$356.75	39.6	40.5	37.2	$10.35	$10.20	$9.59
Construction	386.34	382.89	387.55	36.9	36.5	36.7	10.47	10.49	10.56
Utilities	539.79	659.60	641.49	41.3	42.5	41.9	13.07	15.52	15.31

* Preliminary.

** Revised

*** Excludes eating and drinking places.

Note: These estimates are based on a sample of full- and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month.

Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Arizona Labor Force and Employment for Economic Assistance Programs
July 1991

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,716,745	1,622,539	94,206	5.5%
Apache	13,744	11,558	2,186	15.9
Cochise	34,558	32,330	2,228	6.4
Coconino	44,830	41,775	3,055	6.8
Gila	13,579	12,515	1,064	7.8
Graham	8,293	7,771	522	6.3
Greenlee	3,512	3,325	187	5.3
La Paz	5,481	5,064	417	7.6
Maricopa	1,074,358	1,024,753	49,605	4.6
Mohave	39,248	36,998	2,250	5.7
Navajo	26,438	23,182	3,256	12.3
Pima	314,213	302,892	11,321	3.6
Pinal	37,842	34,938	2,904	7.7
Santa Cruz	11,280	9,679	1,601	14.2
Yavapai	42,519	40,587	1,932	4.5
Yuma	46,849	35,173	11,676	24.9

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators.

NOTE: Series for Yuma and La Paz counties start January 1983.
Data are not comparable to any past series.

Key Indicators

(Continued from page 2)

various economic scenarios to produce employment projections for Arizona and its major substate regions. The model contains employment, unemployment, and population data, as well as national variables.

Assumptions, Key Variables

The major assumption underlying RA's updated forecast for 1991-92 is that the national recession ended sometime in the second quarter of 1991 and its lagging effects on the Arizona economy should be over by the end of the year.

The WEFA Group expects Real Gross National Product (GNP) to be 0.0 percent in 1991 (on an annualized basis), down from an earlier forecast of 1.8 percent, before picking up to 3.6 percent in 1992. The net effect is sluggish employment growth for Arizona the rest of 1991, but an improved job picture for 1992.

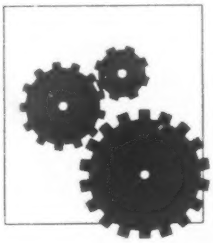
Other assumptions made by WEFA that are expected to impact the U.S. and Arizona economies include:

- a tight monetary policy that will continue to be geared toward a reduction of inflationary expectations. The Federal Reserve will unlikely ease monetary policy unless economic reports dampen the prospects for a continued recovery.
- continued declines in real defense spending over the next three years.
- a pickup in consumer spending — which has been slow to recover — in the later half of 1991 with increases in durable-goods purchases leading the recovery.
- relatively low mortgage interest rates, which will help increase new home sales and improve prospects for increased housing starts.
- lean inventories and rising sales, which will lead to increased industrial production and stronger labor markets.

—DES, Research Administration

Apple Computer Considers Phoenix Area for Customer-Support Operation

"New Developments" is featured each month as a service to our readers. This section is a compilation of public announcements and articles from newspapers and periodicals about events significant to Arizona labor markets. Due to space limitations, however, an exhaustive list of business news is not possible. In addition, the Arizona LMI Newsletter is not responsible for incorrect information reported by these sources.



MANUFACTURING — **Apple Computer Inc.** is considering the Phoenix area for a **customer-service and accounting operation** that would initially **employ around 500 workers**, most of whom would be hired locally. Colorado Springs and Austin, Texas, are also high on the personal-computer manufacturer's list of potential sites. As an added bonus for the winning area, other Apple operations are expected to follow within a few years with a potential workforce of around 2,200. Pay for many of the jobs would range between $30,000 and $60,000. A final decision is expected in the near-term.

A Chandler manufacturer of computer systems that enable the physically handicapped to operate personal computers is expected to **sign a $10 million deal with the Swedish government** that could lead to **employment of about 100 workers**. **Safko International Inc.** says it will need skilled and unskilled individuals, including accountants, marketing professionals, and technical workers to manufacture and market its product. Safko, which has its marketing and administrative headquarters in Chandler, plans to move its manufacturing operation to the Valley from Washington state.

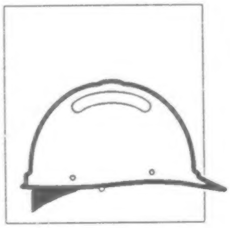
A Tucson business that specializes in producing plant and rock replicas, **The Larson Co., is laying off nearly 30 workers**, primarily in its fabrication department, due to slack business and tight margins, the company says. Some of the affected workers may be placed in other jobs, but might have to work out of the state.

The **Yuma Planning Commission** has **turned down a request** by Griffith Micro Science to extend for six months a permit to **build a medical-equipment sterilization plant** in the western Arizona community. The facility, which was expected to create about 40 jobs, had generated concern because it would use ethylene oxide, a gas which is thought to cause cancer. Griffith Micro Science can, however, apply for another permit.

A newly formed manufacturer of electronic switches, key pads, and circuit-board assemblies, **Interface Data Systems of Phoenix**, expects to **hire 35 workers within the next year**. There are no details about the type of positions that will be available, but much of the production work will likely be done in Taiwan.

NEW DEVELOPMENTS

Laminaids, a small California metal-fabrication company, is **moving its operation to Kingman**. The Mission Viejo firm — which expects to employ about seven people initially, but grow to between 15 and 25 workers — primarily shapes aluminum into finished products.



CONSTRUCTION — The **Yavapai County Board of Supervisors** recently **approved two major developments**, while the **Prescott City Council** has **given a tentative go-ahead to a large housing project**. The supervisors OK'd the Headwaters Ranch Country Club, a 444-acre residential community and golf course near Paulden, and the Muleshow Guest Ranch in Kirkland, which will feature 50 cottages, a chapel, stable, and saloon. Meanwhile, work will begin by the end of the year on Goldwater Ranch, a 500-acre development between Willow Creek Road and Highway 89A in Prescott, that will feature 1,000 housing plots and an 18-hole golf course. And finally, work is under way on the Depot Marketplace in downtown Prescott, a 150,000-square-foot retail shopping complex which will be anchored by Albertson's and Walgreen's stores.

The building of a new **$10 million headquarters for the Muscular Dystrophy Association** (MDA) is expected to **create up to 300 jobs for 36 Arizona subcontractors and suppliers** (29 in the Tucson area) through June 1992. Work began earlier this year on the two-story, 70,000-square-foot structure, which will accommodate 150 MDA employees. Diversified Design and Construction Inc. is the general contractor. MDA moved to Tucson from New York City in January.

Despite an 11 percent drop in traffic the first quarter of 1991, the **Tucson Airport Authority plans $16 million in construction projects** over the next 18 months. Projects include $3.7 million for repaving of the airport's main runway, $2.5 million for a freight terminal apron, and $1.6 million each for modification of Delta Airline's terminal and parking improvements.

Ground was broken in mid-August for a **$10 million, 50,000-square-foot expansion of the Kingman Regional Medical Center**, along with remodeling of the existing 38,000-square-foot facility. Kitchell Contractors of Phoenix will serve as the major contractor for the project. The expansion portion includes the building of two separate wings housing a new emergency room, radiology and physical therapy departments, dining room, and 46 additional patient rooms.

Biltmore Fashion Park is undergoing a $30 million expansion which includes a new, two-story 90,000-square-foot I. Magnin department store, 8,000 square feet of additional space, and a 900-space parking garage. Work is expected to be completed by October 1992.

Work is under way on the **560,000-square foot, first phase of the Pima Ranch Mercado, a shopping center at Pima Road and Shea Boulevard in Scottsdale.** Smith's Food & Drug Center will anchor the complex, expected to open in November. A K Mart and another major tenant will anchor the second phase of the project with work expected to begin in late 1991.

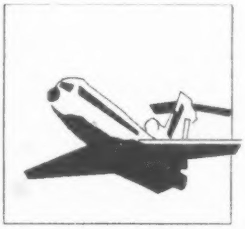
TRADE — **Montgomery Ward & Co.** plans to open its **fifth location in the Valley** in October — a 70,000-square-foot store in east Mesa, on Southern Avenue west of Power Road. Employment of about 150 is expected.

Cajun Joe's Premium Chicken, a national chain in 34 states, has **opened its second location in the Phoenix metro area**, at 35th Avenue and Thunderbird Road, and plans to open two other Valley stores in the near future, at 19th Avenue and Indian School Road, and Hayden and McDowell roads.

Sears, Roebuck and Co. recently opened its first Homelife store in the Phoenix area, Dobson Plaza in Mesa, and has two others under construction — at Talavai Towne Centre in Glendale and at the Scottsdale Pavilions. Homelife stores specialize in the sale of furniture.

Phar-Mor Drug Co., which recently leased 65,000 square feet in the East Valley Mall, Arizona Avenue and Warner Road, plans over the next three years to open far more locations in the Valley, five to be exact.

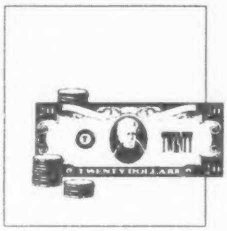
Foodarama, an IGA-affiliated grocery store, has opened in Pinetop-Lakeside and is expected to employ 20 workers when it gets up to speed.



TRANSPORTATION, COMMUNICATIONS AND PUBLIC UTILITIES — **Contel plans to lay off about half of its current workforce of 160 in Show Low by early 1993** to cut expenses and eliminate duplication of work, the company says. Contel merged with General Telephone about six months ago, and nationwide $1 billion is expected to be saved through elimination of jobs.

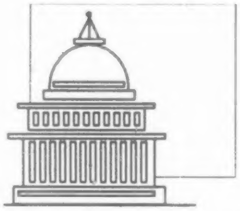
GTE Health Systems, which offers information systems and services for the health-care industry, is **consolidating operations from three out-of-state divisions in Phoenix**. GTE Health Systems, a subsidiary of GTE Information Services, has leased 45,000 square feet from the Koll Center near Interstate 17 and Dunlap Avenue. No information is available about employment.

Phoenix-based **America West Airlines now expects to lay off as many as 1,500 workers nationwide**, or 10 percent of its workforce, a higher figure than earlier media accounts of about 500. Cuts are expected across the board with customer-service representatives probably being hit the hardest. Specifically how many employees in Arizona will be let go has not been made public. In addition, America West as of mid-August had lined up $55 million in loans from a creditor and Northwest Airlines and had signed a marketing agreement with Northwest, which would allow the two airlines to mesh part of their schedules. America West filed for Chapter 11 bankruptcy protection in late June.



FINANCE, INSURANCE AND REAL ESTATE — In mid-August, **BankAmerica Corp. of San Francisco and Security Pacific Corp. of Los Angeles announced plans to merge**, which would make their combined banking operations the largest in the state with assets of nearly $12 billion. Although BankAmerica Corp. says it still plans to bring its credit-card operations to Arizona, and with it 1,200 jobs (see *Arizona LMI Newsletter*, April 1991), the fate of about 700 workers at Security Pacific's credit-card facility in Phoenix is unknown. Also, a sizable number of branches are expected to be closed upon approval of the merger by federal officials and stockholders. In related news, BankAmerica in early August purchased Valley Bank of Nevada, parent company of Caliber Bank of Arizona, which has several branches in the Phoenix area and assets of $233 million.

When Southwest Savings was taken over by Security Pacific Bank in July — ending a succession of Arizona S&L takeovers — it appeared the worst of the state's savings and loan problems had been subdued. But then more bad news surfaced. In early August, the **Office of Thrift Supervision took over San Diego-based Great American Bank**, which has 56 of its 81 branches in Maricopa and Pima counties.



GOVERNMENT — Due to defense-spending cutbacks, around **400 federal civilian positions** at three operations **at Fort Huachuaca are expected to be eliminated**, although 148 of the jobs are currently vacant. The U.S. Army's Intelligence Center, its Information Systems Command, and the garrison at Fort Huachuca — which currently employ about 2,300 civilians — will be affected by the cuts and cost the local area nearly $13 million in annual payroll.

Supervisor Greg Lunn has **proposed cutting 1,000 Pima County jobs over the next five years**. The cuts would be in addition to 185 positions eliminated this year. Lunn says his county's government is "bloated" and that the same amount of work could be done with 200 fewer people a year. The supervisor also proposes to increase wages to those who remain, which he says would improve morale and productivity. Pima County currently employs about

NEWS IN BRIEF

Bush Signs Bill to Extend U.I. Benefits, Holds Off Triggering Immediate Payments

Following are brief stories relating to labor issues affecting the nation and Arizona.

In mid-August, President Bush signed into law a $5.8 billion measure that allows individuals to receive unemployment benefits beyond six months, but failed to enact an emergency clause that is necessary to immediately trigger the payment of extended benefits.

An improving economy and not wanting to break the federal budget agreement were cited as reasons the President did not sign the emergency clause. Members of Congress opposing Bush's stance, however, say the recession is not ending and that it would take a good deal of time before the unemployment rate declines even after the economy picks up.

Under previous law, benefits could be extended for 13 weeks, beyond the normal limit of 26 weeks, when the unemployment rate for workers who are covered by unemployment insurance reaches 6 percent, or 5 percent when the level of the insured jobless exceeded by one-fifth the average level of the insured unemployed in that state over the last two years. However, the unemployment rate among those covered by U.I. insurance — about one half of the workforce — is much lower than the total unemployment rate. As a result, only Alaska, Maine, Rhode Island, and Puerto Rico are currently paying extended benefits.

Under the new law, *total unemployment*, not insured unemployment, becomes the yardstick for determining if a state could offer extended benefits. If the emergency clause is enacted, states with an 8 percent average total unemployment rate the last six months could give an additional 20 weeks of benefits; states with 7 percent unemployment for the same period could give an extra 13 weeks; states with 6 percent unemployment could give an additional seven weeks; and in all other states, four extra weeks of benefits could be paid out. Arizona would currently fall under the last scenario with an average unemployment rate of about 5.0 percent for 1991.

The bill, which covers the period of Sept. 1, 1991, through July 4, 1992, would draw money for extended benefits from an $8 billion unemployment insurance (U.I.) trust fund. Also, a permanent part of the law is that it makes members leaving the armed services eligible for 26 weeks of U.I. benefits, instead of 13 weeks, and allows them to start collecting U.I. benefits one week after leaving the service, instead of four weeks.

Survey: 'Glass Ceiling' Still Major Problem

A Department of Labor (DOL) report issued in early August pointed out that nine Fortune 500 companies were discriminating, intentionally or unintentionally, against women and minorities in their hiring practices for middle- and upper-level management positions. The DOL report was based on a survey of nine major employers, with workforces from 8,000 to 300,000, that receive federal contracts.

The survey, performed by Korn-Ferry International and the University of California at Los Angeles, showed that women represented 37 percent and minorities 16 percent of the surveyed companies' employment, but only 7 percent and 3 percent, respectively, of the executive-level managers. Factors contributing to the imbalance were: word-of-mouth instead of formal methods of recruiting; inability of women and minorities to participate in management-training programs; and little involvement by top managers in pushing for advancement of women and minorities.

At a news conference where the report was released, Labor Secretary Lynn Martin announced a four-part program to break-up the "glass ceiling," which includes: additional reviews like the pilot study of the nine companies; an educational program for Labor Department officials on the glass-ceiling issue; a public-awareness program to encourage companies to make voluntary improvements; and an award program to recognize companies that encourage equal opportunity. Martin, however, said she didn't want the Labor Department to "act as a personnel director who dictates from a distance who should be hired, fired or promoted."

5,300 workers.

—

The **Pinetop-Lakeside Town Council** recently **authorized $500,000 to develop the infrastructure for a 103-acre business park** that town officials hope will lead to hundreds of jobs in a variety of industries. Businesses the park will try to attract include manufacturers, storage companies, government agencies, professional services, and executive offices.

MISCELLANEOUS — *The Arizona Daily Star* recently published a **list of Tucson's top 15 minority-owned businesses**. The list does not include women-owned businesses. **Heading the top 15 is Canchola Foods**, which owns several McDonald's restaurants and has 365 full-time-equivalent (FTE) positions. Following in second through fifth positions, respectively, are: W.G. Valenzuela Drywall Inc., 200 FTEs; HSL Properties, 125; Ruiz Masonry & Building Supply, 101; and La Suprema Mexican Food Products Inc., 100. Mayo Construction, which employed nearly 100 FTEs last year, fell out of the top 15 after filing for Chapter 11 bankruptcy protection earlier this year.

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**** STATISTICAL BULLETIN ****

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FAMILY ASSISTANCE ADMINISTRATION
BOX 6123, PHOENIX, ARIZONA 85005
PHONE (602) 542-3678

MARCH 1991

THIS ISSUE OF THE STATISTICAL BULLETIN COMPARES MARCH 1991 DATA FOR EACH OF THE INDICATED PROGRAMS WITH THE INFORMATION FOR FEBRUARY 1991 AND MARCH 1990. STATEWIDE SUMMARIES OF ACTIVITY WITHIN EACH OF THE SPECIFIC PROGRAMS FOR THIS REPORT PERIOD ARE DISCUSSED BELOW. ONE NEW TABLE DETAILING THE AFDC UNEMPLOYED PARENT PROGRAM HAS BEEN ADDED. THE TABLES COMPARE CURRENT AND PRIOR MONTH DATA. DISTRICT AND COUNTY COMPARISONS ARE PROVIDED WITHIN THIS BULLETIN.

AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM (AFDC)

MARCH AFDC CASES INCREASED 285 (0.57%) TO 49,908, RECIPIENTS INCREASED 988 (0.70%) TO 142,150. AFDC PAYMENTS INCREASED $106,224 (0.82%) TO $13,016,788. THE AVERAGE PAYMENT PER CASE INCREASED $0.65 (0.25%) TO $260.82. PAYMENT PER RECIPIENT INCREASED $0.11 (0.12%) TO $91.57.

COMPARING CURRENT DATA WITH THAT OF 1990, CASES INCREASED 6,256 (14.33%), AFDC RECIPIENTS INCREASED 16,750 (13.36%). TOTAL PAYMENTS INCREASED $1,635,828 (14.37%). THE AVERAGE PAYMENT PER CASE INCREASED $0.10 (0.04%) AND THE AVERAGE PAYMENT PER RECIPIENT INCREASED $0.81 (0.89%).

AFDC UNEMPLOYED PARENT PROGRAM (AFDC-UP)

MARCH AFDC-UP CASES INCREASED 180 (19.27%) TO 1,114; RECIPIENTS INCREASED 740 (17.97%) TO 4,859. AFDC-UP PAYMENTS INCREASED $57,759 (19.49%) TO $354,080. THE AVERAGE PAYMENT PER CASE INCREASED $ 0.59 (0.19%) TO $317.85. THE AVERAGE PAYMENT PER RECIPIENT INCREASED $ 0.93 (1.29%) TO $72.87.

GENERAL ASSISTANCE PROGRAM (GA)

MARCH GA CASES INCREASED BY 305 (5.09%) TO 6,296. RECIPIENTS INCREASED BY 293 (4.69%) TO 6,544. THE AMOUNT OF GA PAYMENTS INCREASED BY $39,331 (4.12%) TO $994,886. THE AVERAGE PAYMENT PER CASE DECREASED $1.48 (0.93%) TO $158.02. THE AVERAGE PAYMENT PER RECIPIENT DECREASED $0.83 (0.54%) TO $152.03.

COMPARED TO 1990, GA CASES INCREASED 579 (10.13%); RECIPIENTS INCREASED 810 (14.13%); TOTAL PAYMENTS INCREASED BY $103,645 (11.63%). THE AVERAGE PAYMENT PER CASE INCREASED $2.13 (1.37%); THE AVERAGE PAYMENT PER RECIPIENT DECREASED $3.40 (2.19%).

EMERGENCY ASSISTANCE PROGRAM (EA)

IN MARCH 1991, EA CASES INCREASED 205 (74.82%) TO 479. TOTAL PAYMENTS INCREASED $27,612 (85.37%) TO $59,955; THE AVERAGE PAYMENT AMOUNT INCREASED $7.13 (6.04%) RESULTING IN AN AVERAGE PAYMENT OF $125.17.

COMPARED TO 1990 DATA EA PAYMENTS DECREASED 44 (8.41%); THE PAYMENTS DECREASED $3,225 (5.10%); AND THE AVERAGE PAYMENTS INCREASED $4.37 (3.62%).

TUBERCULOSIS CONTROL PROGRAM (TC)

IN MARCH 1991, THE NUMBER OF CASES AND RECIPIENTS INCREASED BY 0 (00.00%) TO 4; PAYMENTS INCREASED BY $0 (00.00%); THE AVERAGE PAYMENT PER CASE AND RECIPIENT INCREASED BY $ 0.00 (0.00%) TO $156.75.

WHEN COMPARED TO 1990, TC CASES AND RECIPIENTS DECREASED BY 9 (69.23%); PAYMENTS DECREASED BY $1,362 (68.48%); THE AVERAGE PAYMENT PER CASE AND RECIPIENT INCREASED $ 3.75 (2.45%).

SUPPLEMENTAL PAYMENTS PROGRAM (SPP)

MARCH SPP CASES DECREASED BY 4 (0.57%) TO 700; TOTAL PAYMENTS DECREASED $ 410 (1.13%) TO $35,960, WITH THE AVERAGE PAYMENT PER CASE DECREASING $0.29 (0.56%) TO $51.37.

COMPARING 1990 ACTIVITY: CASES INCREASED BY 76 (12.18%); PAYMENTS TO RECIPIENTS INCREASED $3,166 (9.65%) AND THE AVERAGE PAYMENT PER CASE DECREASED $1.18 (2.25%).

FOOD STAMP PROGRAM (FS)

FOOD STAMP HOUSEHOLDS INCREASED 1,578 (1.17%) TO 136,165, PERSONS RECEIVING FOOD STAMPS INCREASED 3,368 (0.88%) TO 384,408 AND TOTAL COUPON ISSUANCE INCREASED $720,804 (2.86%) TO $25,934,950. AVERAGE ALLOTMENT PER HOUSEHOLD INCREASED BY $ 3.13 (1.67%) TO $190.47, WITH THE AVERAGE ALLOTMENT PER PERSON INCREASING $1.30 (1.96%) TO $67.47.

COMPARED TO 1990, FS HOUSEHOLDS INCREASED 25,503 (23.05%), PERSONS RECEIVING COUPONS INCREASED 67,708 (21.14%) AND THE TOTAL COUPON ISSUANCE INCREASED BY $5,678,350 (28.03%). THE AVERAGE HOUSEHOLD ALLOTMENT INCREASED $ 7.42 (4.05%). THE ALLOTMENT PER PERSON INCREASED $3.64 (5.70%).

MEDICAL ASSISTANCE ONLY (MAO)

COMPARED WITH FEBRUARY DATA, TOTAL MAO CASES INCREASED 267 (0.29%) TO 91,272. SOBRA WOMEN INCREASED 143 (1.59%); SOBRA CHILDREN INCREASED 1,218 (2.24%); RIBICOFFS DECREASED 508 (3.90%); RIBICOFF + AFDC DECREASED 61 (3.77%); 4 MONTH CONTINUANCE INCREASED 0 (0.00%); 6 MONTH GUARANTEED DECREASED 537 (9.39%); NEWBORNS DECREASED 94 (2.03%); ALL OTHER CATEGORIES INCREASED 106 (3.86%).

TOTAL MAO RECIPIENTS DECREASED BY 43 (0.05%) TO 92,666. CHANGES IN SOBRA WOMEN, SOBRA CHILDREN, RIBICOFFS AND RIBICOFF + AFDC DUPLICATE CHANGES IN CASES. THE 4 MONTH CONTINUANCE INCREASED BY 0 (00 00%); 6 MONTH GUARANTEED DECREASED BY 827 (11.61%); NEWBORNS DECREASED BY 99 (2.11%) AND ALL OTHER CATEGORIES INCREASED BY 91 (3.06%).

TABLE 1

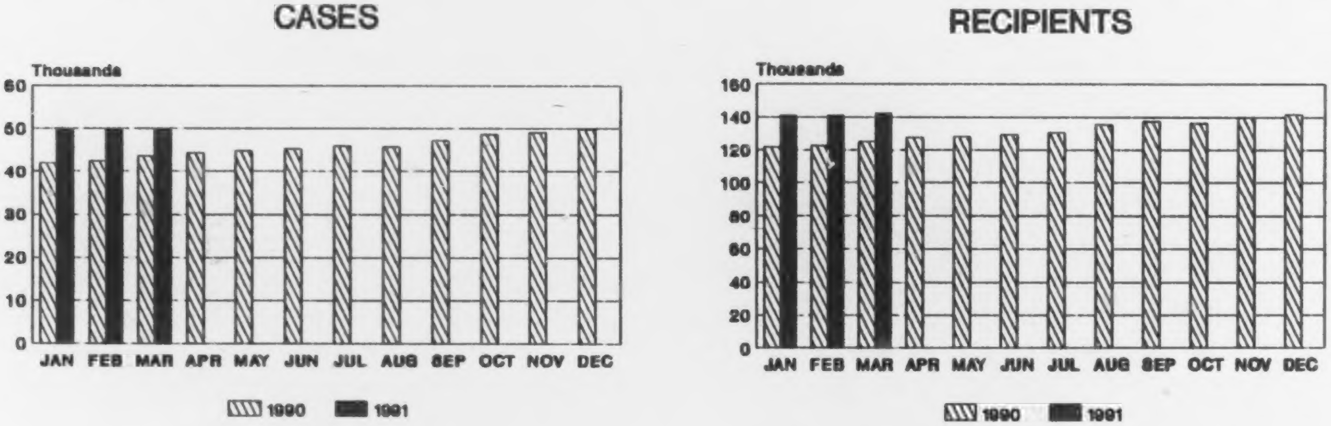
AID TO FAMILIES WITH DEPENDENT CHILDREN: ARIZONA 1/

								CHANGE FROM					
	MARCH 1991							FEBRUARY 1991			MARCH 1990		
	FAMILIES (CASES)	PERSONS (RECIP.)	ADULTS	CHILDREN	TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.	FAMILIES (CASES)	PERSONS (RECIP.)	TOTAL PAYMENTS	FAMILIES (CASES)	PERSONS (RECIP.)	TOTAL PAYMENTS
ARIZONA	49,908	142,150	42,545	99,605	13,016,788	260.82	91.57	285	988	106,224	6,256	16,750	1,635,828
DISTRICT I													
MARICOPA	25,323	72,111	21,198	50,913	6,859,085	270.86	95.12	34	154	25,664	3,126	7,901	845,312
DISTRICT II													
PIMA	8,792	24,325	7,357	16,968	2,302,220	261.85	94.64	97	222	31,009	1,171	2,714	296,172
DISTRICT III	6,806	20,130	6,191	13,939	1,490,394	218.98	74.04	160	616	33,281	989	3,610	225,805
APACHE	2,569	7,748	2,221	5,527	536,508	208.84	69.24	51	153	9,816	217	789	57,464
COCONINO	1,208	3,388	1,024	2,364	278,865	230.85	82.31	(13)	(29)	(3,419)	115	331	33,466
NAVAJO	2,086	6,404	2,071	4,333	436,799	209.40	68.21	105	460	23,996	536	2,148	105,859
YAVAPAI	943	2,590	875	1,715	238,222	252.62	91.98	17	32	2,888	121	342	29,016
DISTRICT IV	2,524	7,099	2,228	4,871	657,288	260.42	92.59	52	164	16,660	461	1,162	112,232
LA PAZ	217	638	195	443	55,119	254.00	86.39	2	(11)	649	47	128	10,389
MOHAVE	940	2,504	862	1,642	232,424	247.26	92.82	49	168	11,044	182	503	41,287
YUMA	1,367	3,957	1,171	2,786	369,745	270.48	93.44	1	7	4,967	232	531	60,556
DISTRICT V	3,787	11,011	3,238	7,773	1,019,030	269.09	92.55	(42)	(100)	(807)	223	559	88,777
GILA	796	2,175	668	1,507	202,145	253.95	92.94	(20)	(35)	(5,486)	29	112	17,592
PINAL	2,991	8,836	2,570	6,266	816,885	273.11	92.45	(22)	(65)	4,679	194	447	71,185
DISTRICT VI	2,676	7,474	2,333	5,141	688,771	257.39	92.16	(16)	(68)	417	286	804	67,530
COCHISE	1,590	4,402	1,369	3,033	414,089	260.43	94.07	(31)	(110)	(2,485)	141	353	36,850
GRAHAM	630	1,834	585	1,249	158,623	251.78	86.49	23	71	5,793	69	305	14,886
GREENLEE	128	342	121	221	32,196	251.53	94.14	1	7	(712)	13	25	2,315
SANTA CRUZ	328	896	258	638	83,863	255.68	93.60	(9)	(36)	(2,179)	63	121	13,479

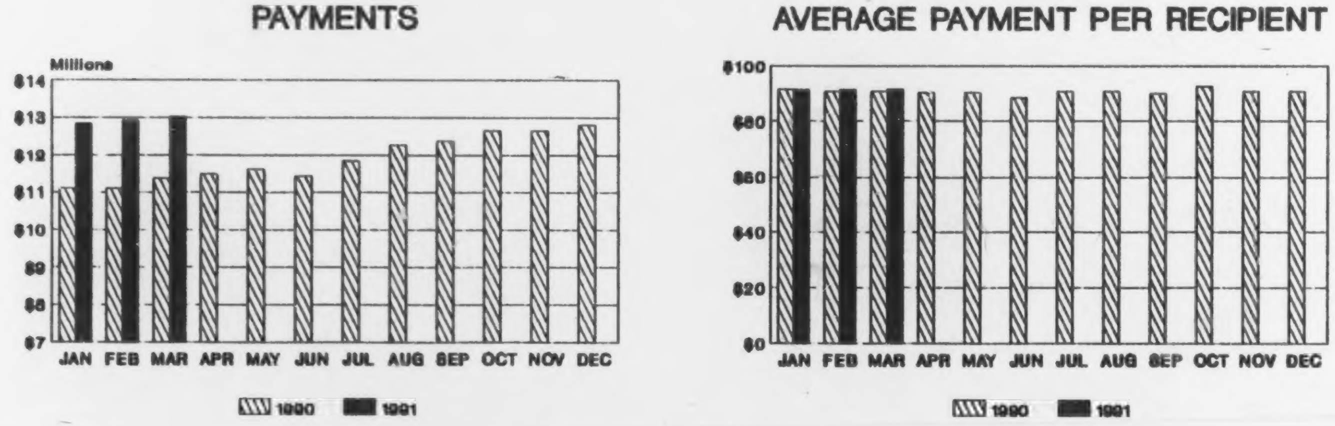
1/ INCLUDES: NAVAJO/HOPI TOTALS OF: 3,932 CASES; 11,069 RECIPIENTS; $745,946.
EXCLUDES: A. PRIOR MONTH NET TOTALS OF: 2,435 CASES; 6,260 RECIPIENTS; $385,529.
B: FOSTER CARE CHILDREN: 992 CASES; 992 RECIPIENTS; $491,874.
C. REFUGEE RESETTLEMENT PROGRAM: 12 CASES; 27 RECIPIENTS; $2,836.

CHART 1

AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM
COMPARISON OF CASES, RECIPIENTS, PAYMENTS & AVERAGE PAYMENT
FOR 1990 AND 1991


CASES

RECIPIENTS


PAYMENTS

AVERAGE PAYMENT PER RECIPIENT

TABLE 1A
AFDC-UP

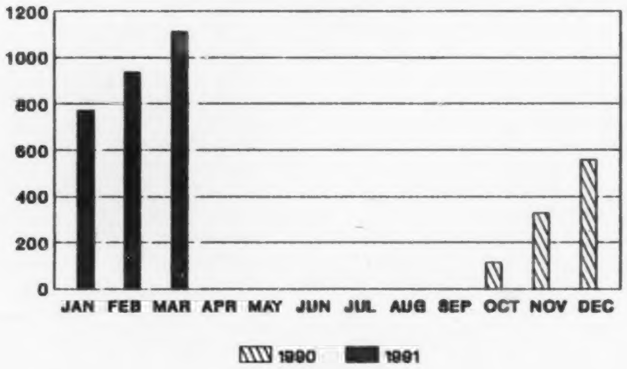
AID TO FAMILIES WITH DEPENDENT CHILDREN: ARIZONA 1/

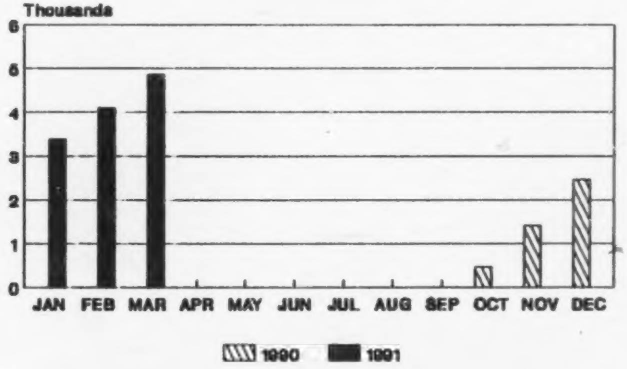
	MARCH 1991							CHANGE FROM FEBRUARY 1990				
	FAMILIES (CASES)	PERSONS (RECIP.)	ADULTS	CHILDREN	TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.	FAMILIES (CASES)	PERSONS (RECIP.)	AVERAGE TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.
ARIZONA	1,114	4,859	2,067	2,792	354,080	317.85	72.87	180	740	57,759	0.59	0.93
DISTRICT I												
MARICOPA	359	1,551	647	904	119,087	331.72	76.78	73	286	23,253	(3.37)	1.02
DISTRICT II												
PIMA	170	708	300	408	54,909	322.99	77.56	39	151	10,403	(16.75)	(2.35)
DISTRICT III	379	1,725	738	987	114,947	303.29	66.64	49	213	15,743	2.67	1.02
APACHE	93	435	182	253	27,277	293.30	62.71	7	26	2,070	0.20	1.07
COCONINO	29	125	55	70	7,836	270.21	62.69	3	14	234	(22.18)	(5.80)
NAVAJO	220	1,015	435	580	68,208	310.04	67.20	32	149	11,754	9.75	2.01
YAVAPAI	37	150	66	84	11,626	314.22	77.51	7	24	1,685	(17.15)	(1.39)
DISTRICT IV	58	248	108	140	18,119	312.40	73.06	4	25	2,146	16.60	1.43
LA PAZ	12	55	21	34	4,144	345.33	75.35	(1)	(3)	(66)	21.49	2.76
MOHAVE	36	154	70	84	10,877	302.14	70.63	5	24	1,954	14.30	1.99
YUMA	10	39	17	22	3,098	309.80	79.44	0	4	258	25.80	(1.71)
DISTRICT V	46	203	90	113	15,179	329.98	74.77	2	9	2,099	32.71	7.35
GILA	20	83	40	43	6,389	319.45	76.98	2	5	871	12.89	6.23
PINAL	26	120	50	70	8,790	338.08	73.25	0	4	1,228	47.23	8.06
DISTRICT VI	102	424	184	240	31,839	312.15	75.09	13	56	4,115	0.64	(0.24)
COCHISE	51	202	85	117	15,897	311.71	78.70	6	22	1,987	2.59	1.42
GRAHAM	41	185	80	105	13,045	318.17	70.51	1	10	463	3.62	(1.38)
GREENLEE	6	22	12	10	1,694	282.33	77.00	4	16	1,108	(10.67)	(20.67)
SANTA CRUZ	4	15	7	8	1,203	300.75	80.20	2	8	557	(22.25)	(12.09)

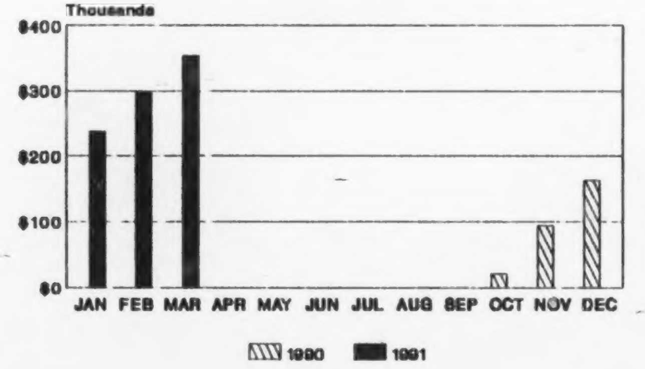
1/ INCLUDES: NAVAJO/HOPI TOTALS OF: 149 CASES; 686 RECIPIENTS; $39,443.
EXCLUDES: A. PRIOR MONTH NET TOTALS OF: 143 CASES; 570 RECIPIENTS; $32,496.

TABLE 1A

AFDC UNEMPLOYED PARENT PROGRAM
COMPARISON OF CASES, RECIPIENTS, PAYMENTS & AVERAGE PAYMENT FOR 1990 AND 1991


CASES


RECIPIENTS


PAYMENTS

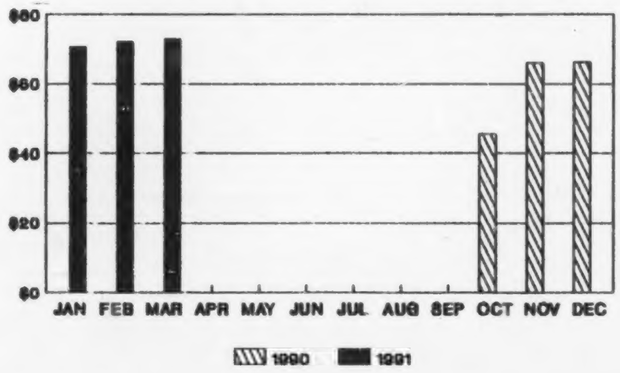

AVERAGE PAYMENT PER RECIPIENT

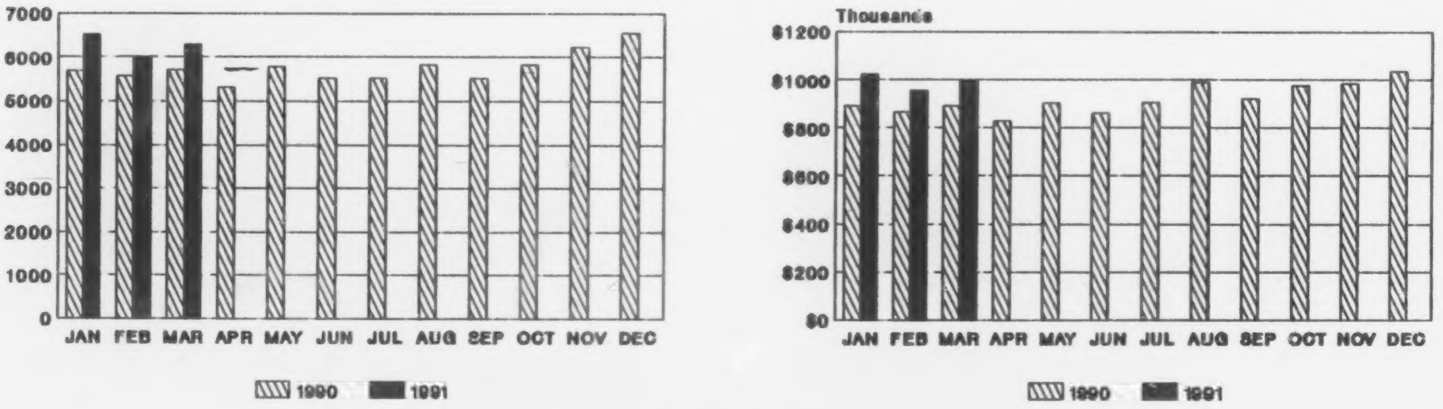
TABLE 2

GENERAL ASSISTANCE: ARIZONA 1/

	MARCH 1991					CHANGE FROM					
						FEBRUARY 1991			MARCH 1990		
	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP:	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS
ARIZONA	6,296	6,544	994,886	158.02	152.03	305	293	39,331	579	810	103,645
DISTRICT I											
MARICOPA	3,599	3,799	576,434	160.17	151.73	177	162	21,842	282	472	55,368
DISTRICT II											
PIMA	1,465	1,510	227,579	155.34	150.71	107	111	16,219	184	226	29,150
DISTRICT III	271	271	43,662	161.11	161.11	(20)	(20)	(3,212)	50	50	9,448
APACHE	8	8	1,205	150.63	150.63	(1)	(1)	(91)	2	2	387
COCONINO	55	55	8,743	158.96	158.96	0	0	(400)	4	4	716
NAVAJO	26	26	4,303	165.50	165.50	(7)	(7)	(1,145)	(5)	(5)	(86)
YAVAPAI	182	182	29,411	161.60	161.60	(12)	(12)	(1,576)	49	49	8,431
DISTRICT IV	293	293	43,604	148.82	148.82	9	9	363	52	50	7,447
LA PAZ	31	31	4,367	140.87	140.87	5	5	500	2	2	(87)
MOHAVE	147	147	23,374	159.01	159.01	4	4	211	33	33	5,358
YUMA	115	115	15,863	137.94	137.94	0	0	(348)	17	15	2,176
DISTRICT V	386	389	59,867	155.10	153.90	10	9	969	(11)	(10)	(912)
GILA	81	81	13,108	161.83	161.83	5	5	816	6	6	891
PINAL	305	308	46,759	153.31	151.81	5	4	153	(17)	(16)	(1,803)
DISTRICT VI	282	282	43,740	155.11	155.11	22	22	3,150	22	22	3,144
COCHISE	197	197	31,071	157.72	157.72	21	21	3,289	30	30	4,182
GRAHAM	56	56	8,616	153.86	153.86	1	1	38	1	1	498
GREENLEE	9	9	1,450	161.11	161.11	(1)	(1)	(60)	(1)	(1)	(227)
SANTA CRUZ	20	20	2,603	130.15	130.15	1	1	(117)	(8)	(8)	(1,309)

1/ EXCLUDES: PRIOR MONTH NET TOTALS OF: 1,783 CASES; 1,783 RECIPIENTS; $266,410.
REFUGEE RESETTLEMENT PROGRAM: 164 CASES; 377 RECIPIENTS; $37,370.

CHART 2
GENERAL ASSISTANCE PROGRAM
COMPARISON OF CASES, PAYMENTS & AVERAGE PAYMENTS
FOR 1990 AND 1991



CASES

PAYMENTS

AVERAGE PAYMENT PER CASE

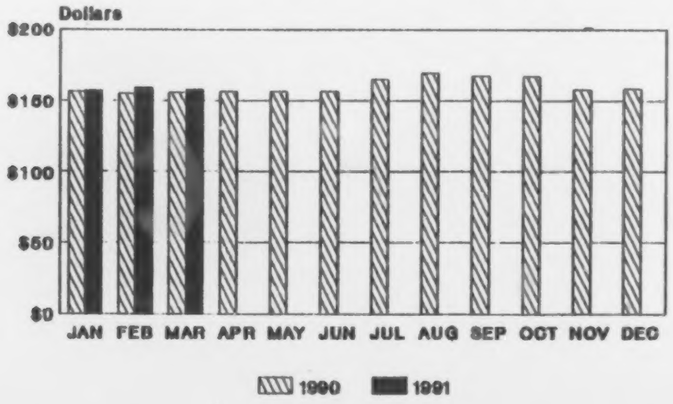


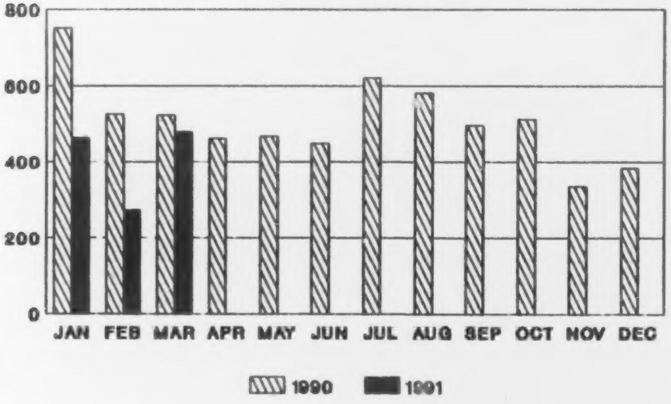
TABLE 3

EMERGENCY ASSISTANCE: ARIZONA 1/

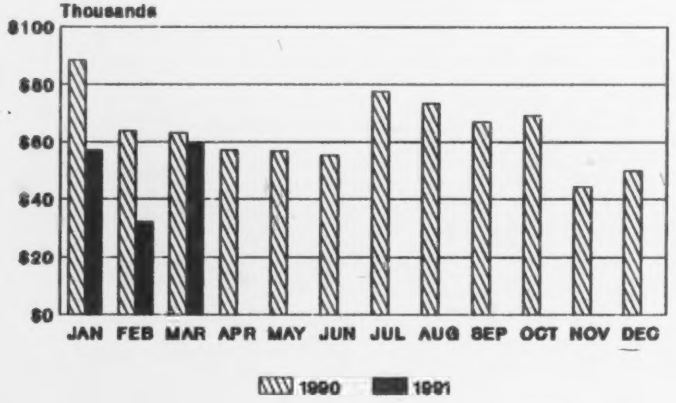
				CHANGE FROM			
	MARCH 1991			FEBRUARY 1991		MARCH 1990	
	NUMBER OF PAYMENTS	TOTAL PAYMENTS	AVERAGE PAYMENT	NUMBER OF PAYMENTS	TOTAL PAYMENTS	NUMBER OF PAYMENTS	TOTAL PAYMENTS
ARIZONA	479	59,955	125.17	205	27,612	(44)	(3,225)
DISTRICT I							
MARICOPA	342	44,520	130.18	160	22,014	(51)	(4,075)
DISTRICT II							
PIMA	72	7,709	107.07	30	3,290	24	2,263
DISTRICT III	8	375	46.88	(3)	(768)	(1)	(635)
APACHE	4	161	40.25	1	(53)	4	161
COCONINO	0	0	0.00	0	0	0	0
NAVAJO	4	214	53.50	(3)	(698)	(5)	(796)
YAVAPAI	0	0	0.00	(1)	(17)	0	0
DISTRICT IV	10	1,020	102.00	2	90	(8)	(915)
LA PAZ	0	0	0.00	0	0	0	0
MOHAVE	5	412	82.40	1	(89)	(2)	(302)
YUMA	5	608	121.60	1	179	(6)	(613)
DISTRICT V	24	3,019	125.79	5	1,140	(14)	(1,239)
GILA	0	0	0.00	0	0	0	0
PINAL	24	3,019	125.79	5	1,140	(14)	(1,239)
DISTRICT VI	23	3,312	144.00	11	1,846	6	1,376
COCHISE	15	1,721	114.73	6	627	5	727
GRAHAM	6	1,148	191.33	3	776	2	503
GREENLEE	1	253	253.00	1	253	(2)	(44)
SANTA CRUZ	1	190	190.00	1	190	1	190

CHART 3
EMERGENCY ASSISTANCE PROGRAM
COMPARISON OF CASES, PAYMENTS & AVERAGE PAYMENTS
FOR 1990 AND 1991

CASES



PAYMENTS



AVERAGE PAYMENT PER CASE

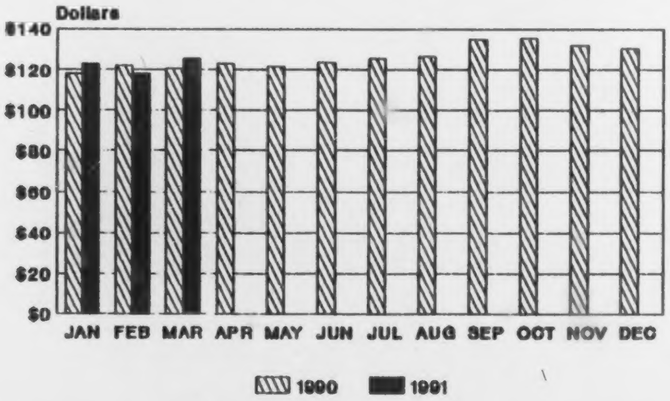


TABLE 4

TUBERCULOSIS CONTROL: ARIZONA 1/

	MARCH 1991					CHANGE FROM FEBRUARY 1991			CHANGE FROM MARCH 1990		
	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS
ARIZONA	4	4	627	156.75	156.75	0	0	0	(9)	(9)	(1,362)
DISTRICT I											
MARICOPA	2	2	346	173.00	173.00	1	1	60	(5)	(5)	(475)
DISTRICT II											
PIMA	1	1	173	173.00	173.00	(1)	(1)	(60)	(4)	(4)	(822)
DISTRICT III	0	0	0	0.00	0.00	0	0	0	0	0	0
APACHE	0	0	0	0.00	0.00	0	0	0	0	0	0
COCONINO	0	0	0	0.00	0.00	0	0	0	0	0	0
NAVAJO	0	0	0	0.00	0.00	0	0	0	0	0	0
YAVAPAI	0	0	0	0.00	0.00	0	0	0	0	0	0
DISTRICT IV	1	1	108	108.00	108.00	0	0	0	0	0	(65)
LA PAZ	0	0	0	0.00	0.00	0	0	0	0	0	0
MOHAVE	0	0	0	0.00	0.00	0	0	0	0	0	0
YUMA	1	1	108	108.00	108.00	0	0	0	0	0	(65)
DISTRICT V	0	0	0	0.00	0.00	0	0	0	0	0	0
GILA	0	0	0	0.00	0.00	0	0	0	0	0	0
PINAL	0	0	0	0.00	0.00	0	0	0	0	0	0
DISTRICT VI	0	0	0	0.00	0.00	0	0	0	0	0	0
COCHISE	0	0	0	0.00	0.00	0	0	0	0	0	0
GRAHAM	0	0	0	0.00	0.00	0	0	0	0	0	0
GREENLEE	0	0	0	0.00	0.00	0	0	0	0	0	0
SANTA CRUZ	0	0	0	0.00	0.00	0	0	0	0	0	0

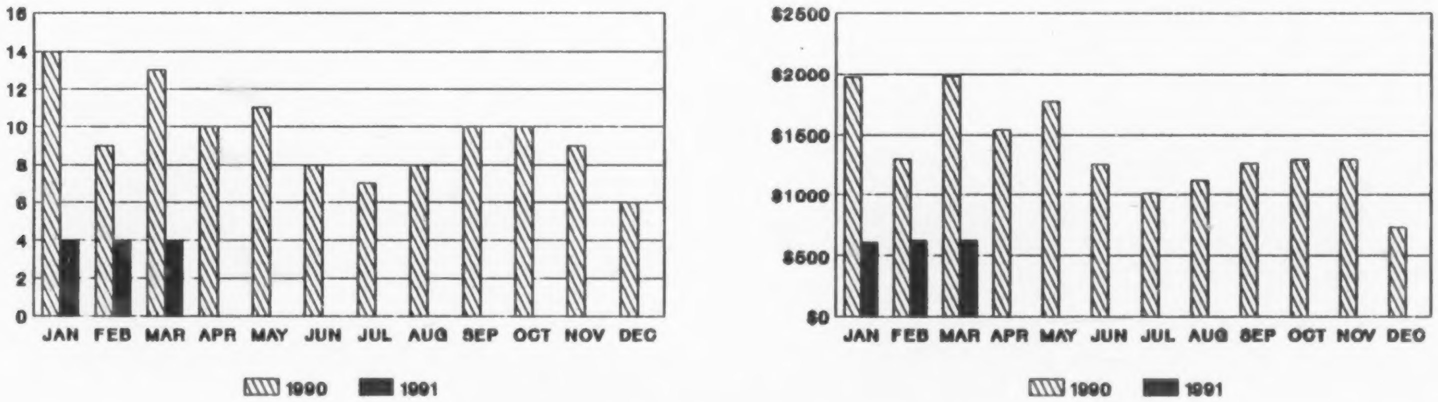
1/ EXCLUDES: PRIOR MONTH NET TOTALS OF: 0 CASES; 0 RECIPIENTS; $0.

CHART 4

TUBERCULOSIS CONTROL PROGRAM

COMPARISON OF CASES, PAYMENTS & AVERAGE PAYMENT

FOR 1990 AND 1991



CASES

PAYMENTS

AVERAGE PAYMENT PER CASE

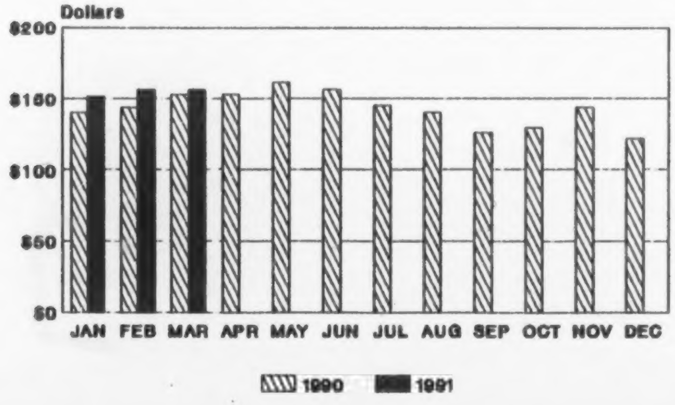


TABLE 5

SUPPLEMENTAL PAYMENTS PROGRAM: ARIZONA 1/

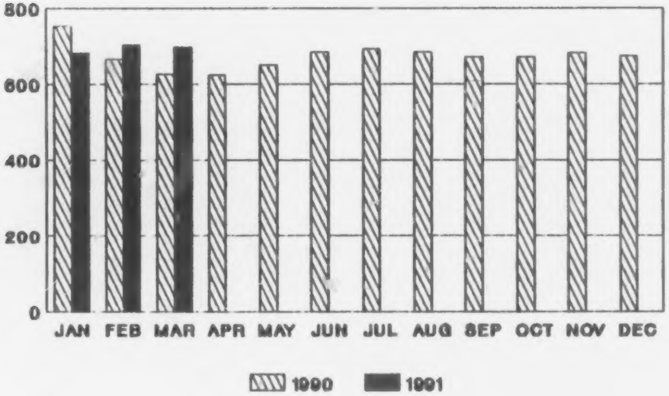
	MARCH 1991			CHANGE FROM FEBRUARY 1991		CHANGE FROM MARCH 1990	
	NUMBER OF PAYMENTS	TOTAL PAYMENTS	AVERAGE PAYMENT	NUMBER OF PAYMENTS	TOTAL PAYMENTS	NUMBER OF PAYMENTS	TOTAL PAYMENTS
ARIZONA	700	35,960	51.37	(4)	(410)	76	3,166
DISTRICT I							
MARICOPA	665	33,700	50.68	(3)	(360)	83	3,760
DISTRICT II							
PIMA	13	1,010	77.69	0	0	(5)	(464)
DISTRICT III	6	420	70.00	0	0	2	100
APACHE	0	0	0.00	0	0	0	0
COCONINO	0	0	0.00	0	0	0	0
NAVAJO	4	320	80.00	0	0	0	0
YAVAPAI	2	100	50.00	0	0	2	100
DISTRICT IV	1	50	50.00	0	0	(1)	(50)
LA PAZ	0	0	0.00	0	0	0	0
MOHAVE	0	0	0.00	0	0	0	0
YUMA	1	50	50.00	0	0	(1)	(50)
DISTRICT V	0	0	0.00	0	0	(1)	(50)
GILA	0	0	0.00	0	0	0	0
PINAL	0	0	0.00	0	0	(1)	(50)
DISTRICT VI	15	780	52.00	(1)	(50)	(2)	(130)
COCHISE	13	650	50.00	(1)	(50)	(1)	(50)
GRAHAM	2	130	65.00	0	0	0	(30)
GREENLEE	0	0	0.00	0	0	0	0
SANTA CRUZ	0	0	0.00	0	0	(1)	(50)

1/ EXCLUDES: PRIOR MONTHS NET TOTAL OF: 26 CASES (PERSONS); $1,300.

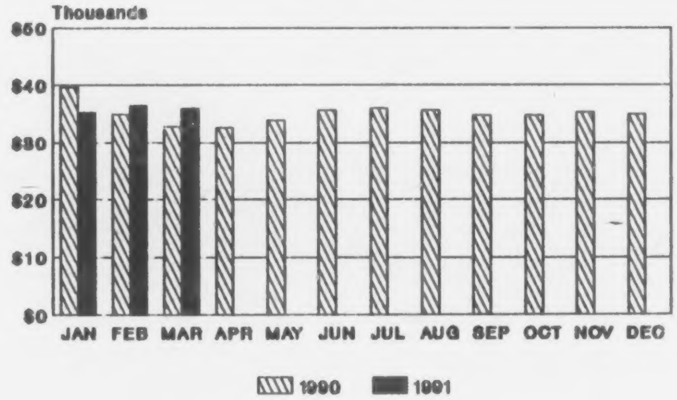
CHART 5

SUPPLEMENTAL PAYMENTS PROGRAM
COMPARISON OF CASES, PAYMENTS & AVERAGE PAYMENT FOR 1990 AND 1991

CASES



PAYMENTS



AVERAGE PAYMENT PER CASE

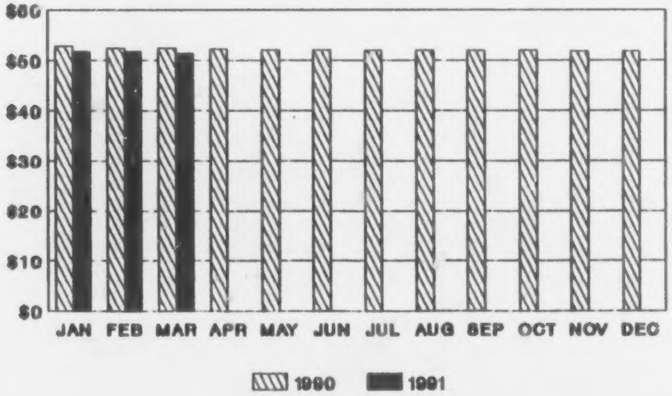


TABLE 6

FOOD STAMP PROGRAM: ARIZONA

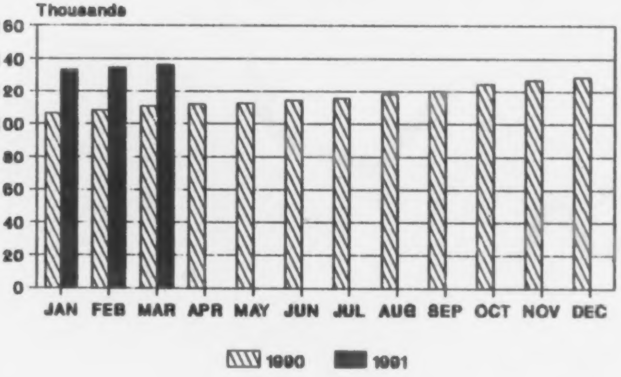
	MARCH 1991					CHANGE FROM					
						FEBRUARY 1991			MARCH 1990		
	HOUSEHOLDS	PERSONS	TOTAL COUPON ISSUANCE	AVERAGE ALLOT./ HOUSEHOLD	AVERAGE ALLOT./ PERSON	HOUSEHOLDS	PERSONS	TOTAL COUPON ISSUANCE	HOUSEHOLDS	PERSONS	TOTAL COUPON ISSUANCE
ARIZONA	136,165	384,408	25,934,950	190.47	67.47	1,578	3,368	720,804	25,503	67,078	5,678,350
DISTRICT I											
MARICOPA	66,597	179,323	12,419,487	186.49	69.26	1,019	2,342	374,210	13,789	35,661	2,985,054
DISTRICT II											
PIMA	26,015	68,673	4,659,799	179.12	67.85	56	(68)	101,998	4,426	10,464	933,282
DISTRICT III	17,084	59,688	3,839,290	224.73	64.32	187	453	90,950	2,854	9,337	741,358
APACHE	5,524	21,678	1,376,273	249.14	63.49	66	275	37,543	747	2,764	231,859
COCONINO	3,684	12,343	785,272	213.16	63.62	5	(88)	4,357	619	2,014	154,369
NAVAJO	4,695	17,352	1,133,642	241.46	65.33	69	196	31,407	851	2,930	226,477
YAVAPAI	3,181	8,315	544,103	171.05	65.44	47	70	17,643	637	1,629	128,653
DISTRICT IV	8,959	25,040	1,671,022	186.52	66.73	233	622	80,507	1,920	5,204	428,202
LA PAZ	693	1,855	128,771	185.82	69.42	15	71	9,083	131	365	30,762
MOHAVE	3,508	9,409	656,865	187.25	69.81	202	531	47,924	887	2,400	197,104
YUMA	4,758	13,776	885,386	186.08	64.27	16	20	23,500	902	2,439	200,336
DISTRICT V	9,391	28,201	1,855,089	197.54	65.78	19	(105)	28,590	1,371	3,560	342,078
GILA	2,526	7,562	488,174	193.26	64.56	(5)	(67)	1,852	238	621	66,314
PINAL	6,865	20,639	1,366,915	199.11	66.23	24	(38)	26,738	1,133	2,939	275,764
DISTRICT VI	8,119	23,483	1,490,263	183.55	63.46	64	124	44,549	1,143	2,852	248,376
COCHISE	4,686	13,098	851,613	181.74	65.02	72	198	32,968	712	1,653	142,161
GRAHAM	1,678	5,025	317,457	189.19	63.18	24	39	10,195	137	358	38,811
GREENLEE	352	920	59,034	167.71	64.17	(11)	(30)	833	1	(4)	3,818
SANTA CRUZ	1,403	4,440	262,159	186.86	59.04	(21)	(83)	553	293	845	63,586

CHART 6

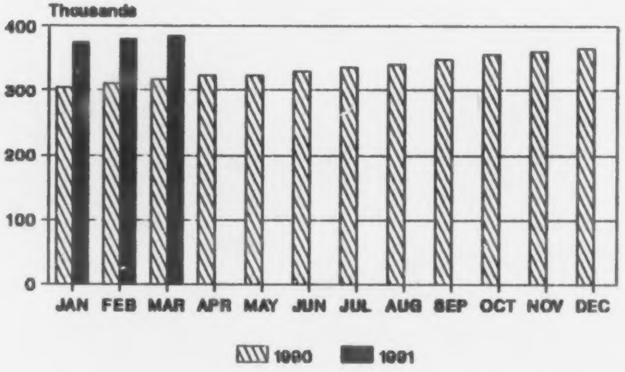
FOOD STAMP PROGRAM

COMPARISON OF HOUSEHOLDS, RECIPIENTS, PAYMENTS AND AVERAGE PAYMENT FOR 1990 AND 1991

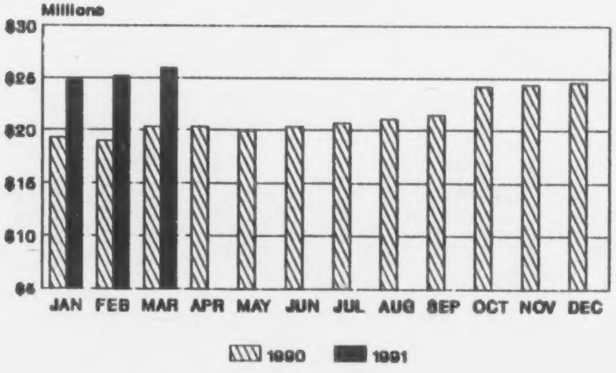
HOUSEHOLDS



RECIPIENTS



PAYMENTS



AVERAGE PAYMENT PER HOUSEHOLD

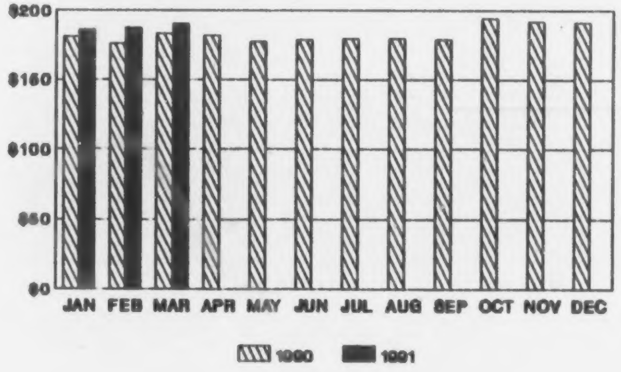


TABLE 7

MEDICAL ASSISTANCE ONLY

CASES

	MARCH 1991									CHANGE FROM FEBRUARY 1991								
	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL
ARIZONA	9,113	55,494	12,516	1,559	15	5,181	4,541	2,853	91,272	143	1,218	(508)	(61)	0	(537)	(94)	106	267
DISTRICT I																		
MARICOPA	4,522	24,508	5,142	830	13	2,831	2,567	1,451	41,864	114	670	(194)	(28)	2	(409)	(62)	66	159
DISTRICT II																		
PIMA	1,453	9,487	1,831	419	1	930	786	651	15,558	5	214	(64)	(19)	(1)	13	(63)	26	111
DISTRICT III	1,143	9,636	2,612	146	0	390	332	244	14,503	30	347	(35)	(21)	0	(39)	26	(10)	298
APACHE	201	3,220	1,000	67	0	18	25	26	4,557	1	125	(42)	(16)	0	(9)	14	(2)	71
COCONINO	362	2,221	494	28	0	143	129	76	3,453	22	143	19	(4)	0	(22)	(3)	(3)	152
NAVAJO	290	2,648	785	15	0	83	66	57	3,944	4	61	(7)	0	0	1	11	(13)	57
YAVAPAI	290	1,547	333	36	0	146	112	85	2,549	3	18	(5)	(1)	0	(9)	4	8	18
DISTRICT IV	753	4,370	1,189	66	1	469	352	185	7,385	(42)	(179)	(159)	(4)	0	(39)	30	15	(378)
LA PAZ	0	0	0	0	1	6	27	7	41	0	0	0	0	0	(2)	27	1	26
MOHAVE	330	1,725	445	31	0	186	157	69	2,943	(23)	34	(15)	(4)	0	(21)	(1)	9	(21)
YUMA	423	2,645	744	35	0	277	168	109	4,401	(19)	(213)	(144)	0	0	(16)	4	5	(383)
DISTRICT V	601	3,684	933	46	0	270	280	157	5,971	20	110	(8)	7	(1)	(10)	(17)	(7)	94
GILA	155	1,061	241	8	0	72	41	48	1,626	6	37	(6)	1	0	(1)	(9)	(7)	21
PINAL	446	2,623	692	38	0	198	239	109	4,345	14	73	(2)	6	(1)	(9)	(8)	0	73
DISTRICT VI	641	3,809	809	52	0	291	224	165	5,991	16	56	(48)	4	0	(53)	(8)	16	(17)
COCHISE	326	1,773	406	24	0	156	98	88	2,871	10	33	(33)	9	0	(10)	(6)	8	11
GRAHAM	30	125	28	6	0	39	46	11	285	0	4	0	(3)	0	(15)	(2)	2	(14)
GREENLEE	123	864	188	5	0	16	13	27	1,236	(5)	(13)	(14)	(2)	0	3	3	4	(24)
SANTA CRUZ	162	1,047	187	17	0	80	67	39	1,599	11	32	(1)	0	0	(31)	(3)	2	10

* ALL OTHER: includes IRCA, AFDC Less Than $10, MAO Sibling Income, MAO Deemed Income, MAO Unemployed Parent, AFDC 9 Month Continuing, MAO QPW, MAO QPW Needy, SSI Wid/Widower and SSI Pickles, and First Extension.

TABLE 7

MEDICAL ASSISTANCE ONLY

RECIPIENTS**

	MARCH 1991									CHANGE FROM FEBRUARY 1991								
	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL
ARIZONA	9,113	55,494	12,516	1,559	30	6,295	4,592	3,067	92,666	143	1,218	(508)	(61)	0	(827)	(99)	91	(43)
DISTRICT I																		
MARICOPA	4,522	24,508	5,142	830	24	3,527	2,594	1,565	42,712	114	670	(194)	(28)	2	(597)	(63)	43	(53)
DISTRICT II																		
PIMA	1,453	9,487	1,831	419	3	1,077	798	685	15,753	5	214	(64)	(19)	(1)	(50)	(65)	26	46
DISTRICT III	1,143	9,636	2,612	146	0	456	338	264	14,595	30	347	(35)	(21)	0	(41)	28	(22)	286
APACHE	201	3,220	1,000	67	0	18	26	32	4,564	1	125	(42)	(16)	0	(11)	14	(4)	67
COCONINO	362	2,221	494	28	0	168	133	82	3,488	22	143	19	(4)	0	(24)	0	(4)	152
NAVAJO	290	2,648	785	15	0	94	66	61	3,959	4	61	(7)	0	0	(5)	11	(24)	40
YAVAPAI	290	1,547	333	36	0	176	113	89	2,584	3	18	(5)	(1)	0	(1)	3	10	27
DISTRICT IV	753	4,370	1,189	66	3	562	354	197	7,494	(42)	(179)	(159)	(4)	0	(42)	30	23	(373)
LA PAZ	0	0	0	0	3	6	27	9	45	0	0	0	0	0	(4)	27	3	26
MOHAVE	330	1,725	445	31	0	232	158	73	2,994	(23)	34	(15)	(4)	0	(28)	0	13	(23)
YUMA	423	2,645	744	35	0	324	169	115	4,455	(19)	(213)	(144)	0	0	(10)	3	7	(376)
DISTRICT V	601	3,684	933	46	0	320	282	172	6,038	20	110	(8)	7	(1)	(35)	(19)	(4)	70
GILA	155	1,061	241	8	0	81	42	48	1,636	6	37	(6)	1	0	(2)	(9)	(13)	14
PINAL	446	2,623	692	38	0	239	240	124	4,402	14	73	(2)	6	(1)	(33)	(10)	9	56
DISTRICT VI	641	3,809	809	52	0	353	226	184	6,074	16	56	(48)	4	0	(62)	(10)	25	(19)
COCHISE	326	1,773	406	24	0	197	98	99	2,923	10	33	(33)	9	0	(14)	(7)	11	9
GRAHAM	30	125	28	6	0	48	47	11	295	0	4	0	(3)	0	(24)	(3)	2	(24)
GREENLEE	123	864	188	5	0	21	13	33	1,247	(5)	(13)	(14)	(2)	0	6	3	10	(15)
SANTA CRUZ	162	1,047	187	17	0	87	68	41	1,609	11	32	(1)	0	0	(30)	(3)	2	11

* ALL OTHER: includes IRCA, AFDC Less Than $10, MAO Sibling Income, MAO Deemed Income, MAO Unemployed Parent, AFDC 9 Month Continuing, MAO QPW MAO QPW Needy, SSI Wid/Widower and SSI Pickles, and First Extension.

** AFDC 4 Month Continuing, AFDC 9 Month Continuing, AFDC Less Than $10 and MAO Sibling Income estimated at 2.9 recipients per case.

TABLE 7

MEDICAL ASSISTANCE ONLY

CASES

	MARCH 1991									CHANGE FROM MARCH 1990								
	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL
ARIZONA	9,113	55,494	12,516	1,559	15	5,181	4,541	2,853	91,272	1,786	16,503	(1,078)	12	(981)	521	94	2,292	19,149
DISTRICT I																		
MARICOPA	4,522	24,508	5,142	830	13	2,831	2,567	1,451	41,864	838	8,204	16	10	(498)	359	75	1,203	10,207
DISTRICT II																		
PIMA	1,453	9,487	1,831	419	1	930	786	651	15,558	176	2,378	(517)	(64)	(183)	120	(54)	527	2,383
DISTRICT III	1,143	9,636	2,612	146	0	390	332	244	14,503	273	2,641	(325)	58	(92)	3	53	196	2,807
APACHE	201	3,220	1,000	67	0	18	25	26	4,557	43	752	(278)	62	(14)	(14)	2	13	566
COCONINO	362	2,221	494	28	0	143	129	76	3,453	99	686	(7)	2	(35)	(12)	39	66	838
NAVAJO	290	2,648	785	15	0	83	66	57	3,944	54	666	(53)	(3)	(20)	15	9	42	710
YAVAPAI	290	1,547	333	36	0	146	112	85	2,549	77	537	13	(3)	(23)	14	3	75	693
DISTRICT IV	753	4,370	1,189	66	1	469	352	185	7,385	223	1,368	(99)	0	(99)	31	10	149	1,583
LA PAZ	0	0	0	0	1	6	27	7	41	0	0	0	0	(4)	(30)	4	6	(24)
MOHAVE	330	1,725	445	31	0	186	157	69	2,943	102	538	72	(1)	(29)	4	29	60	775
YUMA	423	2,645	744	35	0	277	168	109	4,401	121	830	(171)	1	(66)	57	(23)	83	832
DISTRICT V	601	3,684	933	46	0	270	280	157	5,971	113	897	68	7	(42)	19	9	98	1,169
GILA	155	1,061	241	8	0	72	41	48	1,626	0	201	17	2	(9)	28	0	27	266
PINAL	446	2,623	692	38	0	198	239	109	4,345	113	696	51	5	(33)	(9)	9	71	903
DISTRICT VI	641	3,809	809	52	0	291	224	165	5,991	163	1,015	(221)	1	(67)	(11)	1	119	1,000
COCHISE	326	1,773	406	24	0	156	98	88	2,871	52	400	(130)	(4)	(46)	17	(17)	74	346
GRAHAM	30	125	28	6	0	39	46	11	285	16	50	(1)	0	0	0	5	9	79
GREENLEE	123	864	188	5	0	16	13	27	1,236	15	168	(75)	(5)	(9)	2	6	13	115
SANTA CRUZ	162	1,047	187	17	0	80	67	39	1,599	80	397	(15)	10	(12)	(30)	7	23	460

* ALL OTHER: includes IRCA, AFDC Less Than $10, MAO Sibling Income, MAO Deemed Income, MAO Unemployed Parent, AFDC 9 Month Continuing, MAO QPW, MAO QPW Needy, SSI Wid/Widower and SSI Pickles.

TABLE 7

MEDICAL ASSISTANCE ONLY

RECIPIENTS**

	MARCH 1991									CHANGE FROM MARCH 1990								
	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL
ARIZONA	9,113	55,494	12,516	1,559	30	6,295	4,592	3,067	92,666	1,786	16,503	(1,078)	12	(2,848)	513	90	2,184	17,162
DISTRICT I																		
MARICOPA	4,522	24,508	5,142	830	24	3,527	2,594	1,565	42,712	838	8,204	16	10	(1,452)	389	75	1,180	9,260
DISTRICT II																		
PIMA	1,453	9,487	1,831	419	3	1,077	798	685	15,753	176	2,378	(517)	(64)	(525)	90	(54)	494	1,978
DISTRICT III	1,143	9,636	2,612	146	0	456	338	264	14,595	273	2,641	(325)	58	(268)	(16)	52	178	2,593
APACHE	201	3,220	1,000	67	0	18	26	32	4,564	43	752	(278)	62	(41)	(20)	1	2	521
COCONINO	362	2,221	494	28	0	168	133	82	3,488	99	686	(7)	2	(102)	(25)	40	70	763
NAVAJO	290	2,648	785	15	0	94	66	61	3,959	54	666	(53)	(3)	(58)	8	9	35	658
YAVAPAI	290	1,547	333	36	0	176	113	89	2,584	77	537	13	(3)	(67)	21	2	71	651
DISTRICT IV	753	4,370	1,189	66	3	562	354	197	7,494	223	1,368	(99)	0	(287)	36	12	147	1,400
LA PAZ	0	0	0	0	3	6	27	9	45	0	0	0	0	(12)	(43)	4	8	(43)
MOHAVE	330	1,725	445	31	0	232	158	73	2,994	102	538	72	(1)	(84)	8	30	56	721
YUMA	423	2,645	744	35	0	324	169	115	4,455	121	830	(171)	1	(191)	71	(22)	83	722
DISTRICT V	601	3,684	933	46	0	320	282	172	6,038	113	897	68	7	(122)	7	6	71	1,047
GILA	155	1,061	241	8	0	81	42	48	1,636	0	201	17	2	(26)	31	1	8	234
PINAL	446	2,623	692	38	0	239	240	124	4,402	113	696	51	5	(96)	(24)	5	63	813
DISTRICT VI	641	3,809	809	52	0	353	226	184	6,074	163	1,015	(221)	1	(194)	7	(1)	114	884
COCHISE	326	1,773	406	24	0	197	98	99	2,923	52	400	(130)	(4)	(133)	24	(18)	75	266
GRAHAM	30	125	28	6	0	48	47	11	295	16	50	(1)	0	0	4	3	7	79
GREENLEE	123	864	188	5	0	21	13	33	1,247	15	168	(75)	(5)	(26)	6	6	15	104
SANTA CRUZ	162	1,047	187	17	0	87	68	41	1,609	80	397	(15)	10	(35)	(27)	8	17	435

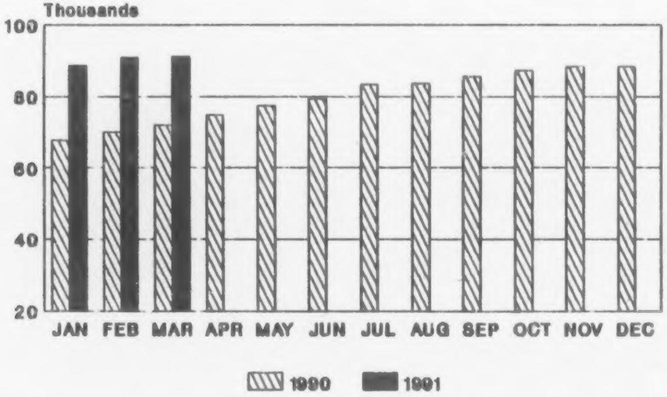
* ALL OTHER: includes IRCA, AFDC Less Than $10, MAO Sibling Income, MAO Deemed Income, MAO Unemployed Parent, AFDC 9 Month Continuing, MAO QPW, MAO QPW Needy, SSI Wid/Widower and SSI Pickles.

** AFDC 4 Month Continuing, AFDC 9 Month Continuing, AFDC Less Than $10 and MAO Sibling Income estimated at 2.9 recipients per case.

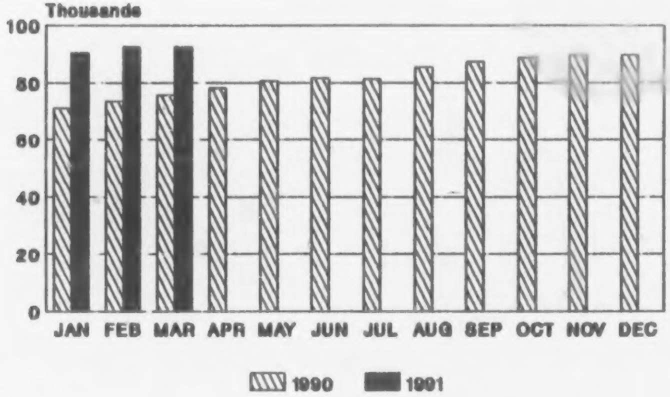
CHART 7

MEDICAL ASSISTANCE ONLY-PROGRAM
COMPARISON OF CASES AND RECIPIENTS FOR 1990 AND 1991

CASES



RECIPIENTS



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**** STATISTICAL BULLETIN ****

ARIZONA DEPARTMENT OF ECONOMIC SECURITY
FAMILY ASSISTANCE ADMINISTRATION
BOX 6123, PHOENIX, ARIZONA 85005
PHONE (602) 542-3678

APRIL 1991

THIS ISSUE OF THE STATISTICAL BULLETIN COMPARES APRIL 1991 DATA FOR EACH OF THE INDICATED PROGRAMS WITH THE INFORMATION FOR MARCH 1991 AND APRIL 1990. STATEWIDE SUMMARIES OF ACTIVITY WITHIN EACH OF THE SPECIFIC PROGRAMS FOR THIS REPORT PERIOD ARE DISCUSSED BELOW. ONE NEW TABLE DETAILING THE AFDC UNEMPLOYED PARENT PROGRAM HAS BEEN ADDED. THE TABLES COMPARE CURRENT AND PRIOR MONTH DATA. DISTRICT AND COUNTY COMPARISONS ARE PROVIDED WITHIN THIS BULLETIN.

AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM (AFDC)

APRIL AFDC CASES INCREASED 1,445 (2.90%) TO 51,353, RECIPIENTS INCREASED 2,985 (2.10%) TO 145,135. AFDC PAYMENTS INCREASED $315,595 (2.42%) TO $13,332,383. THE AVERAGE PAYMENT PER CASE DECREASED $1.20 (0.46%) TO $259.62. PAYMENT PER RECIPIENT INCREASED $0.29 (0.32%) TO $91.86.

COMPARING CURRENT DATA WITH THAT OF 1990, CASES INCREASED 7,075 (15.98%), AFDC RECIPIENTS INCREASED 17,885 (14.06%). TOTAL PAYMENTS INCREASED $1,840,814 (16.02%). THE AVERAGE PAYMENT PER CASE INCREASED $0.09 (0.03%) AND THE AVERAGE PAYMENT PER RECIPIENT INCREASED $0.55 (0.60%).

AFDC UNEMPLOYED PARENT PROGRAM (AFDC-UP)

APRIL AFDC-UP CASES INCREASED 43 (3.86%) TO 1,157; RECIPIENTS INCREASED 227 (4.67%) TO 5,086. AFDC-UP PAYMENTS INCREASED $ 9,328 (2.63%) TO $363,408. THE AVERAGE PAYMENT PER CASE DECREASED $ 3.75 (1.18%) TO $314.10. THE AVERAGE PAYMENT PER RECIPIENT DECREASED $ 1.42 (1.95%) TO $71.45.

GENERAL ASSISTANCE PROGRAM (GA)

APRIL GA CASES INCREASED BY 836 (13.28%) TO 7,132. RECIPIENTS INCREASED BY 620 (9.47%) TO 7,164. THE AMOUNT OF GA PAYMENTS INCREASED BY $107,468 (10.80%) TO $1,102,354. THE AVERAGE PAYMENT PER CASE DECREASED $3.46 (2.19%) TO $154.56. THE AVERAGE PAYMENT PER RECIPIENT INCREASED $1.84 (1.21%) TO $153.87.

COMPARED TO 1990, GA CASES INCREASED 1,811 (34.03%); RECIPIENTS INCREASED 1,828 (34.26%); TOTAL PAYMENTS INCREASED BY $270,253 (32.48%). THE AVERAGE PAYMENT PER CASE DECREASED $1.82 (1.16%); THE AVERAGE PAYMENT PER RECIPIENT DECREASED $2.07 (1.33%).

EMERGENCY ASSISTANCE PROGRAM (EA)

IN APRIL 1991, EA CASES DECREASED 104 (21.71%) TO 375. TOTAL PAYMENTS DECREASED $15,213 (25.37%) TO $44,742; THE AVERAGE PAYMENT AMOUNT DECREASED $5.86 (4.68%) RESULTING IN AN AVERAGE PAYMENT OF $119.31.

COMPARED TO 1990 DATA EA PAYMENTS DECREASED 87 (18.83%); THE PAYMENTS DECREASED $12,129 (21.33%); AND THE AVERAGE PAYMENTS DECREASED $3.79 (3.08%).

TUBERCULOSIS CONTROL PROGRAM (TC)

IN MARCH 1991, THE NUMBER OF CASES AND RECIPIENTS INCREASED BY 1 (25.00%) TO 5; PAYMENTS INCREASED BY $43 (6.86%); THE AVERAGE PAYMENT PER CASE AND RECIPIENT DECREASED BY $22.75 (14.51%) TO $134.00.

WHEN COMPARED TO 1990, TC CASES AND RECIPIENTS DECREASED BY 5 (50.00%); PAYMENTS DECREASED BY $ 865 (56.35%); THE AVERAGE PAYMENT PER CASE AND RECIPIENT DECREASED $19.50 (12.70%).

SUPPLEMENTAL PAYMENTS PROGRAM (SPP)

APRIL SPP CASES DECREASED BY 8 (1.14%) TO 692; TOTAL PAYMENTS DECREASED $ 580 (1.61%) TO $35,380, WITH THE AVERAGE PAYMENT PER CASE DECREASING $0.24 (0.47%) TO $51.13.

COMPARING 1990 ACTIVITY: CASES INCREASED BY 8 (1.17%); PAYMENTS TO RECIPIENTS DECREASED $ 360 (1.01%) AND THE AVERAGE PAYMENT PER CASE DECREASED $1.12 (2.14%).

FOOD STAMP PROGRAM (FS)

FOOD STAMP HOUSEHOLDS INCREASED 2,547 (1.87%) TO 138,712, PERSONS RECEIVING FOOD STAMPS INCREASED 7,117 (1.85%) TO 391,525 AND TOTAL COUPON ISSUANCE INCREASED $447,821 (1.73%) TO $26,382,771. AVERAGE ALLOTMENT PER HOUSEHOLD DECREASED BY $ 0.27 (0.14%) TO $190.20, WITH THE AVERAGE ALLOTMENT PER PERSON DECREASING $0.09 (0.13%) TO $67.38.

COMPARED TO 1990, FS HOUSEHOLDS INCREASED 26,461 (23.57%), PERSONS RECEIVING COUPONS INCREASED 68,790 (21.31%) AND THE TOTAL COUPON ISSUANCE INCREASED BY $6,017,862 (29.55%). THE AVERAGE HOUSEHOLD ALLOTMENT INCREASED $ 8.78 (4.84%). THE ALLOTMENT PER PERSON INCREASED $4.28 (6.78%).

MEDICAL ASSISTANCE ONLY (MAO)

COMPARED WITH APRIL DATA, TOTAL MAO CASES INCREASED 2,436 (2.67%) TO 93,708. SOBRA WOMEN INCREASED 344 (3.77%); SOBRA CHILDREN INCREASED 2,272 (4.09%); RIBICOFFS DECREASED 121 (0.97%); RIBICOFF + AFDC DECREASED 2 (0.13%); 4 MONTH CONTINUANCE DECREASED 4 (26.67%); 6 MONTH GUARANTEED DECREASED 186 (3.59%); NEWBORNS DECREASED 42 (0.92%); ALL OTHER CATEGORIES INCREASED 176 (6.17%).

TOTAL MAO RECIPIENTS INCREASED 2,392 (2.58%) TO 95,061. CHANGES IN SOBRA WOMEN, SOBRA CHILDREN, RIBICOFFS AND RIBICOFF + AFDC DUPLICATE CHANGES IN CASES. THE 4 MONTH CONTINUANCE DECREASED BY 17 (56.67%); 6 MONTH GUARANTEED DECREASED BY 244 (3.88%); NEWBORNS DECREASED BY 43 (0.94%) AND ALL OTHER CATEGORIES INCREASED BY 207 (6.75%).

TABLE 1

AID TO FAMILIES WITH DEPENDENT CHILDREN: ARIZONA 1/

	APRIL 1991							CHANGE FROM MARCH 1991			CHANGE FROM APRIL 1990		
	FAMILIES (CASES)	PERSONS (RECIP.)	ADULTS	CHILDREN	TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.	FAMILIES (CASES)	PERSONS (RECIP.)	TOTAL PAYMENTS	FAMILIES (CASES)	PERSONS (RECIP.)	TOTAL PAYMENTS
ARIZONA	51,353	145,135	43,563	101,572	13,332,383	259.62	91.86	1,445	2,985	315,595	7,075	17,885	1,840,814
DISTRICT I													
MARICOPA	26,377	72,673	21,804	50,869	6,549,598	248.31	90.12	1,054	562	(309,487)	3,920	7,607	507,168
DISTRICT II													
PIMA	8,922	24,629	7,453	17,176	2,757,069	309.02	111.94	130	304	454,849	1,140	2,632	720,764
DISTRICT III	6,867	21,544	6,161	15,383	1,479,768	215.49	68.69	61	1,414	(10,626)	983	4,863	199,621
APACHE	2,618	8,913	2,323	6,590	544,896	208.13	61.13	49	1,165	8,388	271	1,972	67,488
COCONINO	1,248	3,493	1,057	2,436	288,316	231.02	82.54	40	105	9,451	140	393	39,891
NAVAJO	2,006	6,599	1,925	4,674	409,407	204.09	62.04	(80)	195	(27,392)	413	2,257	69,240
YAVAPAI	995	2,539	856	1,683	237,149	238.34	93.40	52	(51)	(1,073)	159	241	23,002
DISTRICT IV	2,576	7,226	2,268	4,958	803,835	312.05	111.24	52	127	146,547	426	1,070	241,281
LA PAZ	227	679	210	469	56,508	248.93	83.22	10	41	1,389	45	139	8,068
MOHAVE	952	2,528	872	1,656	233,635	245.41	92.42	12	24	1,211	163	459	35,842
YUMA	1,397	4,019	1,186	2,833	513,692	367.71	127.82	30	62	143,947	218	472	197,371
DISTRICT V	3,864	11,159	3,298	7,861	1,032,844	267.30	92.56	77	148	13,814	279	574	89,516
GILA	793	2,088	653	1,435	196,953	248.36	94.33	(3)	(87)	(5,192)	22	10	9,232
PINAL	3,071	9,071	2,645	6,426	835,891	272.19	92.15	80	235	19,006	257	564	80,284
DISTRICT VI	2,747	7,904	2,579	5,325	709,269	258.20	89.74	71	430	20,498	327	1,139	82,464
COCHISE	1,608	4,629	1,545	3,084	418,522	260.27	90.41	18	227	4,433	149	559	40,950
GRAHAM	661	1,984	635	1,349	170,262	257.58	85.82	31	150	11,639	88	420	23,482
GREENLEE	134	363	129	234	33,435	249.51	92.11	6	21	1,239	20	42	3,766
SANTA CRUZ	344	928	270	658	87,050	253.05	93.80	16	32	3,187	70	118	14,266

1/ INCLUDES: NAVAJO/HOPI TOTALS OF: 3,685 CASES; 11,160 RECIPIENTS; $733,670.
EXCLUDES: A. PRIOR MONTH NET TOTALS OF: 2,230 CASES; 5,688 RECIPIENTS; $315,851.
B: FOSTER CARE CHILDREN: 892 CASES; 892 RECIPIENTS; $460,049.
C. REFUGEE RESETTLEMENT PROGRAM: 9 CASES; 19 RECIPIENTS; $2,833.

CHART 1

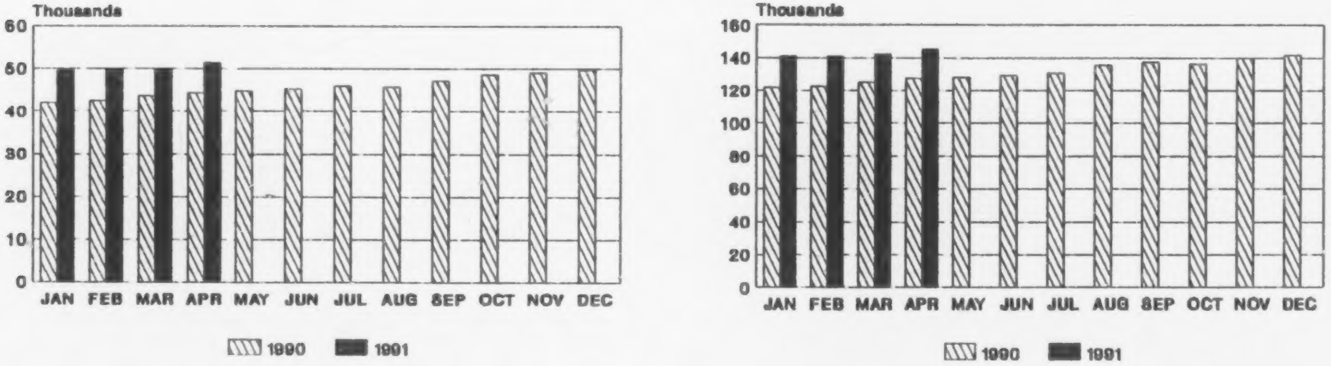
AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM

COMPARISON OF CASES, RECIPIENTS, PAYMENTS & AVERAGE PAYMENT

FOR 1990 AND 1991

CASES

RECIPIENTS



PAYMENTS

AVERAGE PAYMENT PER RECIPIENT

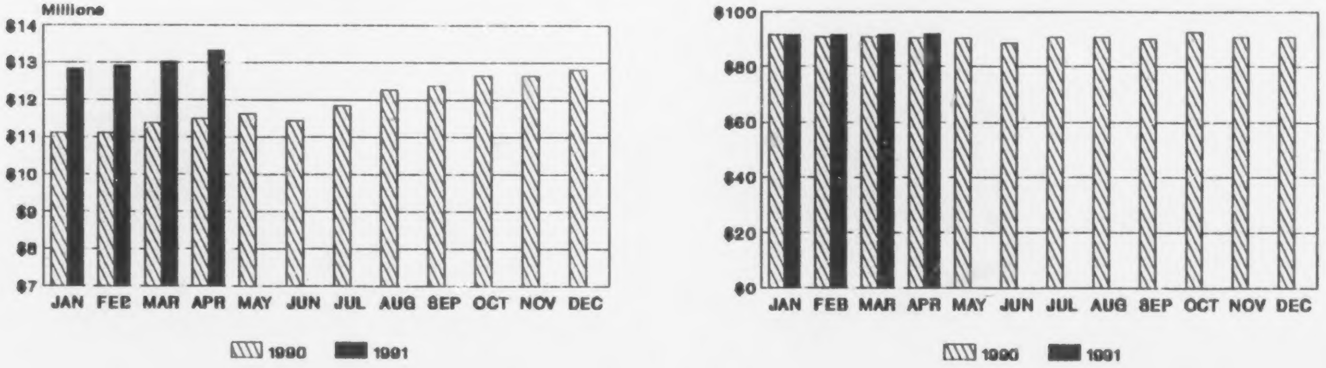


TABLE 1A
AFDC-UP

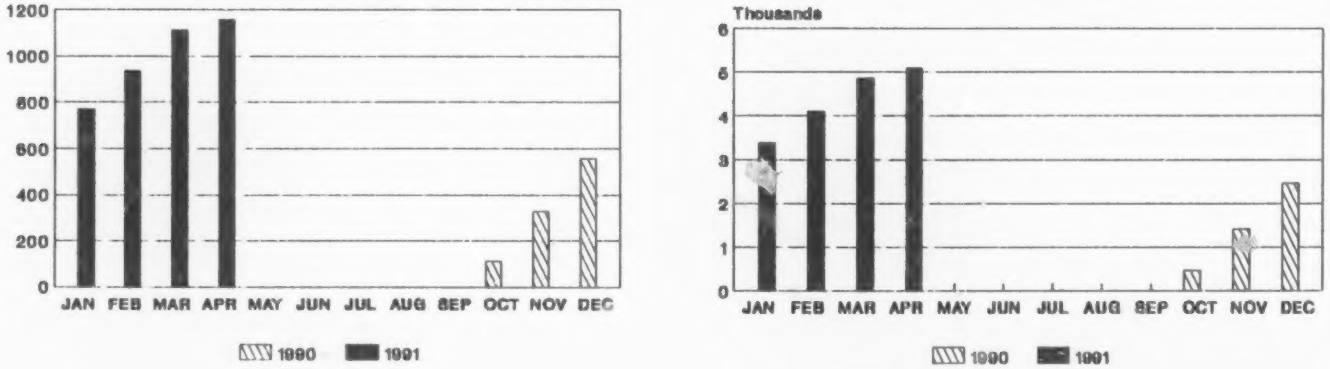
AID TO FAMILIES WITH DEPENDENT CHILDREN: ARIZONA 1/

	APRIL 1991							CHANGE FROM MARCH 1990				
	FAMILIES (CASES)	PERSONS (RECIP.)	ADULTS	CHILDREN	TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.	FAMILIES (CASES)	PERSONS (RECIP.)	AVERAGE TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.
ARIZONA	1,157	5,086	2,136	2,950	363,408	314.10	71.45	43	227	9,328	(3.75)	(1.42)
DISTRICT I												
MARICOPA	398	1,741	717	1,024	134,058	336.83	77.00	39	190	14,971	5.11	0.22
DISTRICT II												
PIMA	178	725	310	415	56,002	314.62	77.24	8	17	1,093	(8.38)	(0.31)
DISTRICT III	357	1,667	696	971	105,094	294.38	63.04	(22)	(58)	(9,853)	(8.91)	(3.59)
APACHE	99	464	195	269	26,681	269.51	57.50	6	29	(596)	(23.80)	(5.20)
COCONINO	30	134	57	77	8,408	280.27	62.75	1	9	572	10.06	0.06
NAVAJO	201	962	397	565	61,112	304.04	63.53	(19)	(53)	(7,096)	(6.00)	(3.67)
YAVAPAI	27	107	47	60	8,893	329.37	83.11	(10)	(43)	(2,733)	15.15	5.61
DISTRICT IV	66	281	122	159	19,559	296.35	69.60	8	33	1,440	(16.05)	(3.46)
LA PAZ	15	69	28	41	5,229	348.60	75.78	3	14	1,085	3.27	0.44
MOHAVE	35	146	68	78	9,674	276.40	66.26	(1)	(8)	(1,203)	(25.74)	(4.37)
YUMA	16	66	26	40	4,656	291.00	70.55	6	27	1,558	(18.80)	(8.89)
DISTRICT V	46	206	90	116	15,493	336.80	75.21	0	3	314	6.83	0.44
GILA	16	69	31	38	4,917	307.31	71.26	(4)	(14)	(1,472)	(12.14)	(5.72)
PINAL	30	137	59	78	10,576	352.53	77.20	4	17	1,786	14.46	3.95
DISTRICT VI	112	466	201	265	33,202	296.45	71.25	10	42	1,363	(15.70)	(3.84)
COCHISE	50	192	80	112	15,353	307.06	79.96	(1)	(10)	(544)	(4.65)	1.27
GRAHAM	48	220	94	126	13,719	285.81	62.36	7	35	674	(32.36)	(8.15)
GREENLEE	9	34	18	16	2,722	302.44	80.06	3	12	1,028	20.11	3.06
SANTA CRUZ	5	20	9	11	1,408	281.60	70.40	1	5	205	(19.15)	(9.80)

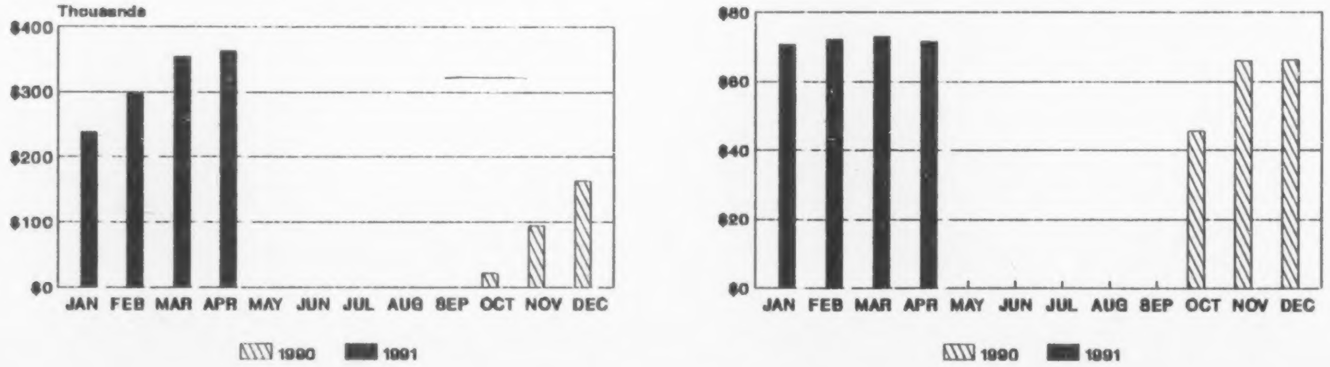
1/ INCLUDES: NAVAJO/HOPI TOTALS OF: 161 CASES; 763 RECIPIENTS; $41,726.
EXCLUDES: A. PRIOR MONTH NET TOTALS OF: 129 CASES; 522 RECIPIENTS; $26,838.

TABLE 1A

AFDC UNEMPLOYED PARENT PROGRAM
COMPARISON OF CASES, RECIPIENTS, PAYMENTS & AVERAGE PAYMENT FOR 1990 AND 1991


CASES

RECIPIENTS


PAYMENTS

AVERAGE PAYMENT PER RECIPIENT

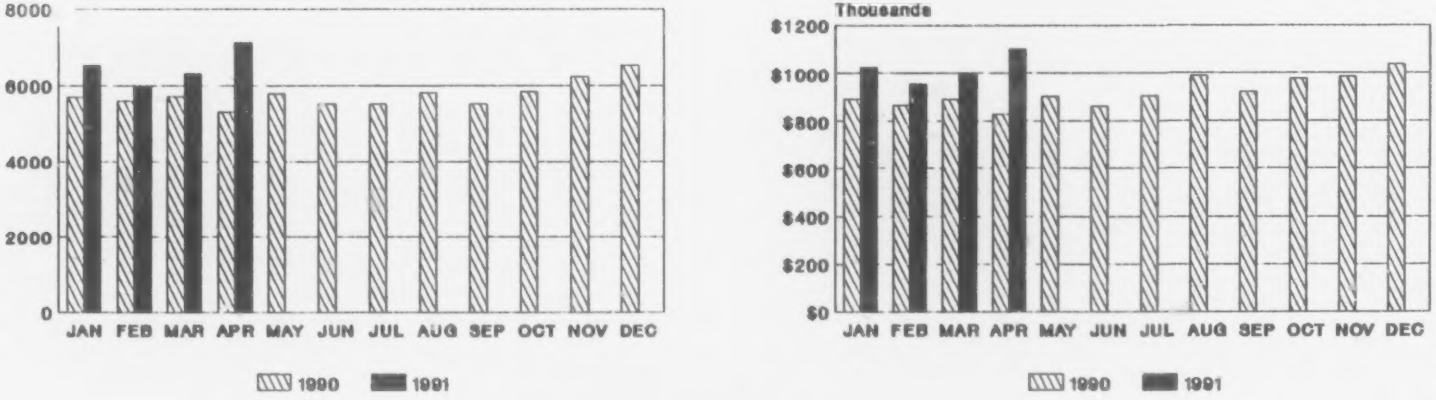
TABLE 2

GENERAL ASSISTANCE: ARIZONA 1/

	APRIL 1991					CHANGE FROM MARCH 1991			CHANGE FROM APRIL 1990		
	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS
ARIZONA	7,132	7,164	1,102,354	154.56	153.87	836	620	107,468	1,811	1,828	270,253
DISTRICT I											
MARICOPA	4,119	4,138	635,210	154.21	153.51	520	339	58,776	1,060	1,073	150,695
DISTRICT II											
PIMA	1,590	1,599	245,743	154.56	153.69	125	89	18,164	390	394	61,227
DISTRICT III	332	332	52,758	158.91	158.91	61	61	9,096	127	127	20,232
APACHE	11	11	1,598	145.27	145.27	3	3	393	5	5	690
COCONINO	61	61	9,654	158.26	158.26	6	6	911	12	12	1,859
NAVAJO	41	41	6,215	151.59	151.59	15	15	1,912	13	13	2,034
YAVAPAI	219	219	35,291	161.15	161.15	37	37	5,880	97	97	15,649
DISTRICT IV	332	332	50,226	151.28	151.28	39	39	6,622	108	106	16,358
LA PAZ	27	27	4,044	149.78	149.78	(4)	(4)	(323)	(2)	(2)	(280)
MOHAVE	184	184	28,874	156.92	156.92	37	37	5,500	82	82	12,039
YUMA	121	121	17,308	143.04	143.04	6	6	1,445	28	26	4,599
DISTRICT V	456	460	70,875	155.43	154.08	70	71	11,008	59	61	10,540
GILA	94	94	15,121	160.86	160.86	13	13	2,013	14	14	2,444
PINAL	362	366	55,754	154.02	152.33	57	58	8,995	45	47	8,096
DISTRICT VI	303	303	47,542	156.90	156.90	21	21	3,802	67	67	11,201
COCHISE	212	212	33,595	158.47	158.47	15	15	2,524	64	64	10,115
GRAHAM	65	65	10,083	155.12	155.12	9	9	1,467	12	12	2,360
GREENLEE	9	9	1,484	164.89	164.89	0	0	34	(1)	(1)	(196)
SANTA CRUZ	17	17	2,380	140.00	140.00	(3)	(3)	(223)	(8)	(8)	(1,078)

1/ EXCLUDES: PRIOR MONTH NET TOTALS OF: 991 CASES; 991 RECIPIENTS; $147,234.
REFUGEE RESETTLEMENT PROGRAM: 162 CASES; 393 RECIPIENTS; $37,635.

CHART 2
GENERAL ASSISTANCE PROGRAM
COMPARISON OF CASES, PAYMENTS & AVERAGE PAYMENTS
FOR 1990 AND 1991



CASES

PAYMENTS

AVERAGE PAYMENT PER CASE

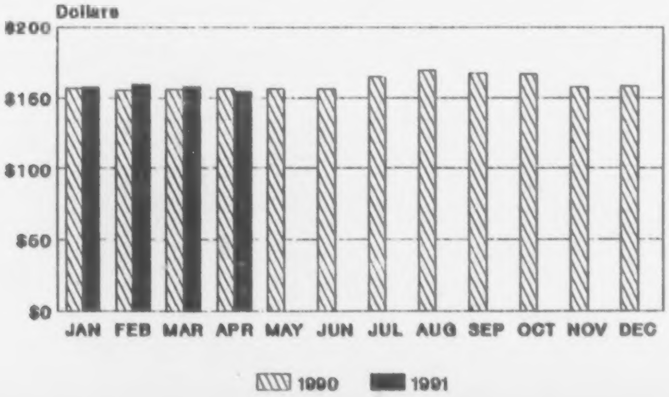
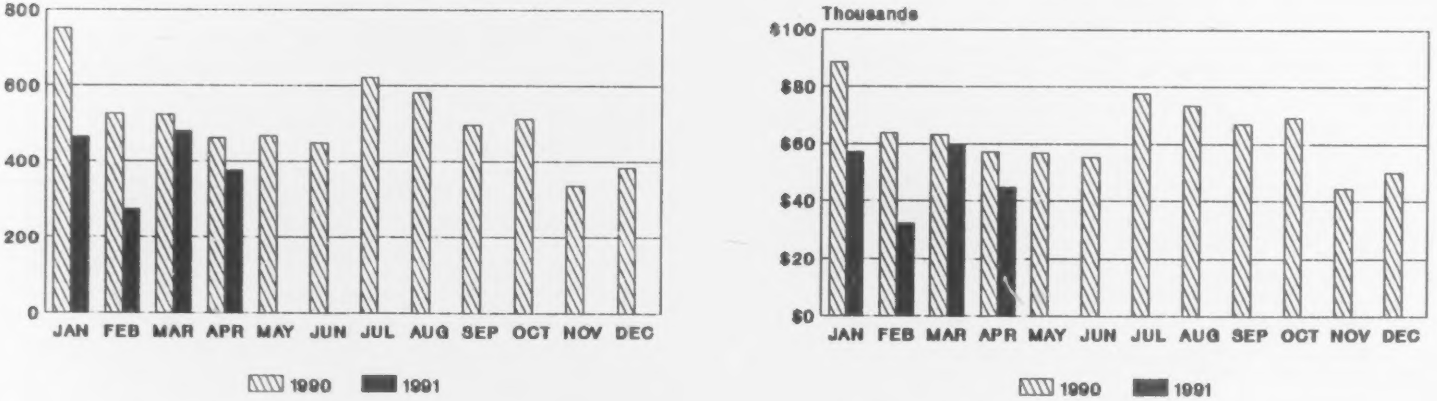


TABLE 3

EMERGENCY ASSISTANCE: ARIZONA 1/

	APRIL 1991			CHANGE FROM MARCH 1991		CHANGE FROM APRIL 1990	
	NUMBER OF PAYMENTS	TOTAL PAYMENTS	AVERAGE PAYMENT	NUMBER OF PAYMENTS	TOTAL PAYMENTS	NUMBER OF PAYMENTS	TOTAL PAYMENTS
ARIZONA	375	44,742	119.31	(104)	(15,213)	(87)	(12,129)
DISTRICT I							
MARICOPA	246	31,592	128.42	(96)	(12,928)	(111)	(13,043)
DISTRICT II							
PIMA	67	6,641	99.12	(5)	(1,068)	35	2,619
DISTRICT III	7	605	86.43	(1)	230	(3)	(227)
APACHE	1	55	55.00	(3)	(106)	1	55
COCONINO	0	0	0.00	0	0	0	0
NAVAJO	6	550	91.67	2	336	(4)	(282)
YAVAPAI	0	0	0.00	0	0	0	0
DISTRICT IV	9	831	92.33	(1)	(189)	(6)	(700)
LA PAZ	0	0	0.00	0	0	0	0
MOHAVE	5	475	95.00	0	63	3	457
YUMA	4	356	89.00	(1)	(252)	(9)	(1,157)
DISTRICT V	24	2,680	111.67	0	(339)	(8)	(1,351)
GILA	0	0	0.00	0	0	0	0
PINAL	24	2,680	111.67	0	(339)	(8)	(1,351)
DISTRICT VI	22	2,393	108.77	(1)	(919)	6	573
COCHISE	19	1,730	91.05	4	9	7	461
GRAHAM	2	504	252.00	(4)	(644)	0	204
GREENLEE	1	159	159.00	0	(94)	0	52
SANTA CRUZ	0	0	0.00	(1)	(190)	(1)	(144)

CHART 3
EMERGENCY ASSISTANCE PROGRAM
COMPARISON OF CASES, PAYMENTS & AVERAGE PAYMENTS
FOR 1990 AND 1991



CASES

PAYMENTS

AVERAGE PAYMENT PER CASE

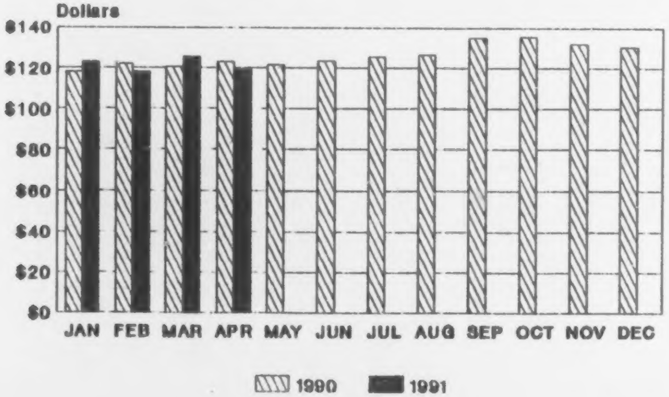


TABLE 4

TUBERCULOSIS CONTROL: ARIZONA 1/

	APRIL 1991					CHANGE FROM					
						MARCH 1991			APRIL 1990		
	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS
ARIZONA	5	5	670	134.00	134.00	1	1	43	(5)	(5)	(865)
DISTRICT I											
MARICOPA	3	3	389	129.67	129.67	1	1	43	(3)	(3)	(324)
DISTRICT II											
PIMA	1	1	173	173.00	173.00	0	0	0	(3)	(3)	(649)
DISTRICT III	0	0	0	0.00	0.00	0	0	0	0	0	0
APACHE	0	0	0	0.00	0.00	0	0	0	0	0	0
COCONINO	0	0	0	0.00	0.00	0	0	0	0	0	0
NAVAJO	0	0	0	0.00	0.00	0	0	0	0	0	0
YAVAPAI	0	0	0	0.00	0.00	0	0	0	0	0	0
DISTRICT IV	1	1	108	108.00	108.00	0	0	0	1	1	108
LA PAZ	0	0	0	0.00	0.00	0	0	0	0	0	0
MOHAVE	0	0	0	0.00	0.00	0	0	0	0	0	0
YUMA	1	1	108	108.00	108.00	0	0	0	1	1	108
DISTRICT V	0	0	0	0.00	0.00	0	0	0	0	0	0
GILA	0	0	0	0.00	0.00	0	0	0	0	0	0
PINAL	0	0	0	0.00	0.00	0	0	0	0	0	0
DISTRICT VI	0	0	0	0.00	0.00	0	0	0	0	0	0
COCHISE	0	0	0	0.00	0.00	0	0	0	0	0	0
GRAHAM	0	0	0	0.00	0.00	0	0	0	0	0	0
GREENLEE	0	0	0	0.00	0.00	0	0	0	0	0	0
SANTA CRUZ	0	0	0	0.00	0.00	0	0	0	0	0	0

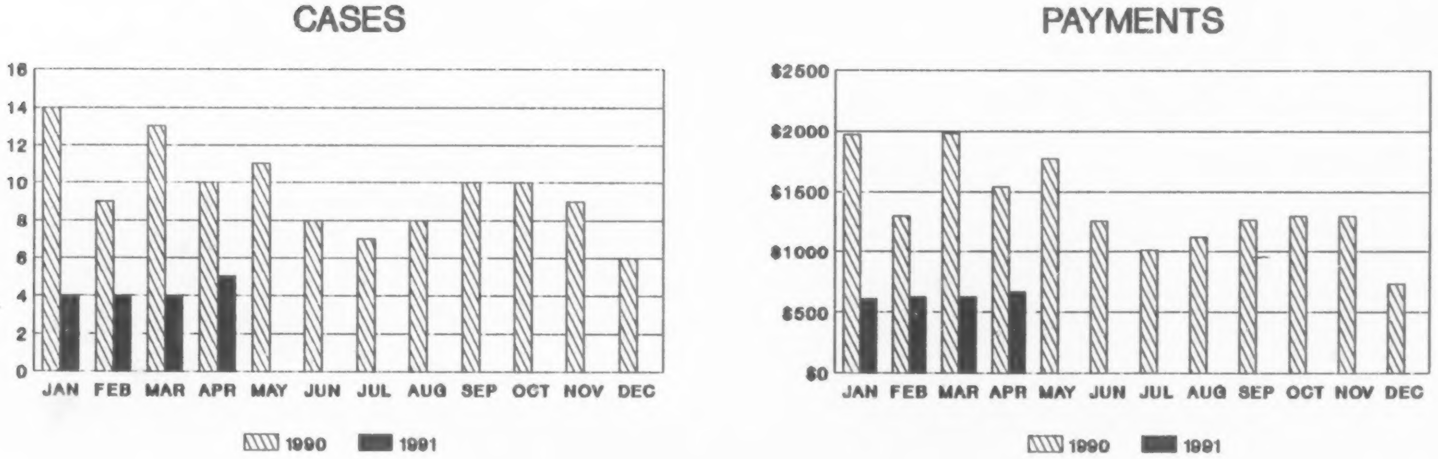
1/ EXCLUDES: PRIOR MONTH NET TOTALS OF: 0 CASES; 0 RECIPIENTS; $0.

CHART 4

TUBERCULOSIS CONTROL PROGRAM

COMPARISON OF CASES, PAYMENTS & AVERAGE PAYMENT

FOR 1990 AND 1991


CASES

PAYMENTS

AVERAGE PAYMENT PER CASE

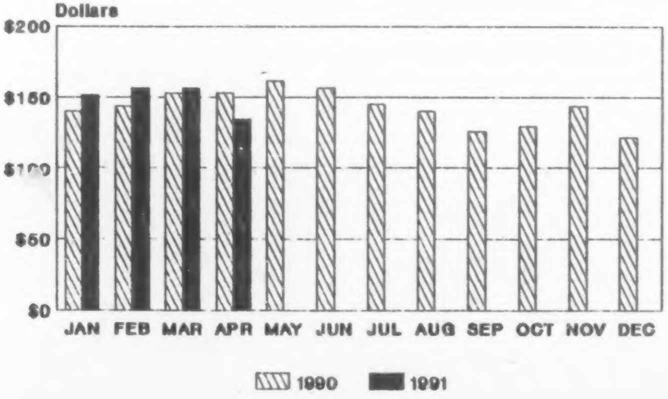


TABLE 5

SUPPLEMENTAL PAYMENTS PROGRAM: ARIZONA 1/

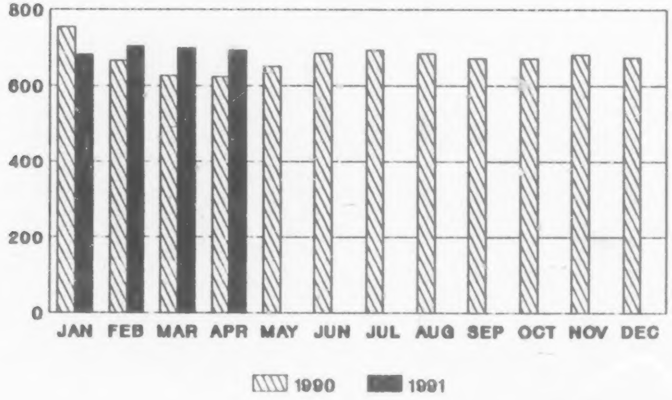
	APRIL 1991			CHANGE FROM MARCH 1991		CHANGE FROM APRIL 1990	
	NUMBER OF PAYMENTS	TOTAL PAYMENTS	AVERAGE PAYMENT	NUMBER OF PAYMENTS	TOTAL PAYMENTS	NUMBER OF PAYMENTS	TOTAL PAYMENTS
ARIZONA	692	35,380	51.13	(8)	(580)	8	(360)
DISTRICT I							
MARICOPA	658	33,200	50.46	(7)	(500)	22	460
DISTRICT II							
PIMA	12	930	77.50	(1)	(80)	(12)	(720)
DISTRICT III	6	420	70.00	0	0	1	50
APACHE	0	0	0.00	0	0	0	0
COCONINO	0	0	0.00	0	0	0	0
NAVAJO	4	320	80.00	0	0	0	0
YAVAPAI	2	100	50.00	0	0	1	50
DISTRICT IV	1	50	50.00	0	0	(1)	(50)
LA PAZ	0	0	0.00	0	0	0	0
MOHAVE	0	0	0.00	0	0	0	0
YUMA	1	50	50.00	0	0	(1)	(50)
DISTRICT V	0	0	0.00	0	0	(1)	(50)
GILA	0	0	0.00	0	0	0	0
PINAL	0	0	0.00	0	0	(1)	(50)
DISTRICT VI	15	780	52.00	0	0	(1)	(50)
COCHISE	13	650	50.00	0	0	(1)	(50)
GRAHAM	2	130	65.00	0	0	1	50
GREENLEE	0	0	0.00	0	0	0	0
SANTA CRUZ	0	0	0.00	0	0	(1)	(50)

1/ EXCLUDES: PRIOR MONTHS NET TOTAL OF: 20 CASES (PERSONS); $1,100.

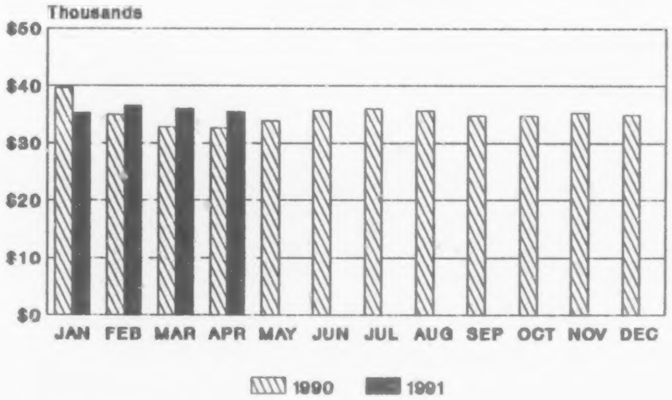
CHART 5

SUPPLEMENTAL PAYMENTS PROGRAM
COMPARISON OF CASES, PAYMENTS & AVERAGE PAYMENT
FOR 1990 AND 1991

CASES



PAYMENTS



AVERAGE PAYMENT PER CASE

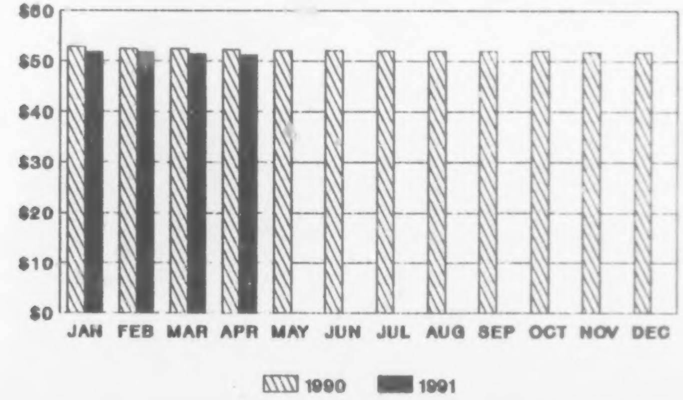


TABLE 6

FOOD STAMP PROGRAM: ARIZONA

	APRIL 1991					CHANGE FROM					
						MARCH 1991			APRIL 1990		
	HOUSEHOLDS	PERSONS	TOTAL COUPON ISSUANCE	AVERAGE ALLOT./ HOUSEHOLD	AVERAGE ALLOT./ PERSON	HOUSEHOLDS	PERSONS	TOTAL COUPON ISSUANCE	HOUSEHOLDS	PERSONS	TOTAL COUPON ISSUANCE
ARIZONA	138,712	391,525	26,382,771	190.20	67.38	2,547	7,117	447,821	26,461	68,790	6,017,862
DISTRICT I											
MARICOPA	68,172	183,494	12,733,908	186.79	69.40	1,575	4,171	314,421	14,518	37,128	3,222,326
DISTRICT II											
PIMA	26,290	69,402	4,678,871	177.97	67.42	275	729	19,072	4,388	10,141	936,940
DISTRICT III	17,324	60,351	3,871,182	223.46	64.14	240	663	31,892	2,915	9,486	772,863
APACHE	5,632	22,050	1,399,355	248.47	63.46	108	372	23,082	801	2,954	255,331
COCONINO	3,717	12,355	788,478	212.13	63.82	33	12	3,206	617	1,943	163,888
NAVAJO	4,717	17,421	1,123,378	238.16	64.48	22	69	(10,264)	827	2,832	208,862
YAVAPAI	3,258	8,525	559,971	171.88	65.69	77	210	15,868	670	1,757	144,782
DISTRICT IV	9,212	26,074	1,722,076	186.94	66.05	253	1,034	51,054	2,041	5,569	440,856
LA PAZ	685	1,881	127,281	185.81	67.67	(8)	26	(1,490)	174	457	34,044
MOHAVE	3,545	9,552	657,843	185.57	68.87	37	143	978	922	2,554	200,810
YUMA	4,982	14,641	936,952	188.07	64.00	224	865	51,566	945	2,558	206,002
DISTRICT V	9,532	28,586	1,884,980	197.75	65.94	141	385	29,891	1,400	3,526	370,365
GILA	2,538	7,604	491,516	193.66	64.64	12	42	3,342	229	581	69,248
PINAL	6,994	20,982	1,393,464	199.24	66.41	129	343	26,549	1,171	2,945	301,117
DISTRICT VI	8,182	23,618	1,491,754	182.32	63.16	63	135	1,491	1,199	2,940	274,512
COCHISE	4,705	13,087	842,887	179.15	64.41	19	(11)	(8,726)	738	1,646	154,501
GRAHAM	1,703	5,135	322,562	189.41	62.82	25	110	5,105	167	496	49,960
GREENLEE	363	945	61,548	169.55	65.13	11	25	2,514	32	69	11,002
SANTA CRUZ	1,411	4,451	264,757	187.64	59.48	8	11	2,598	262	729	59,049

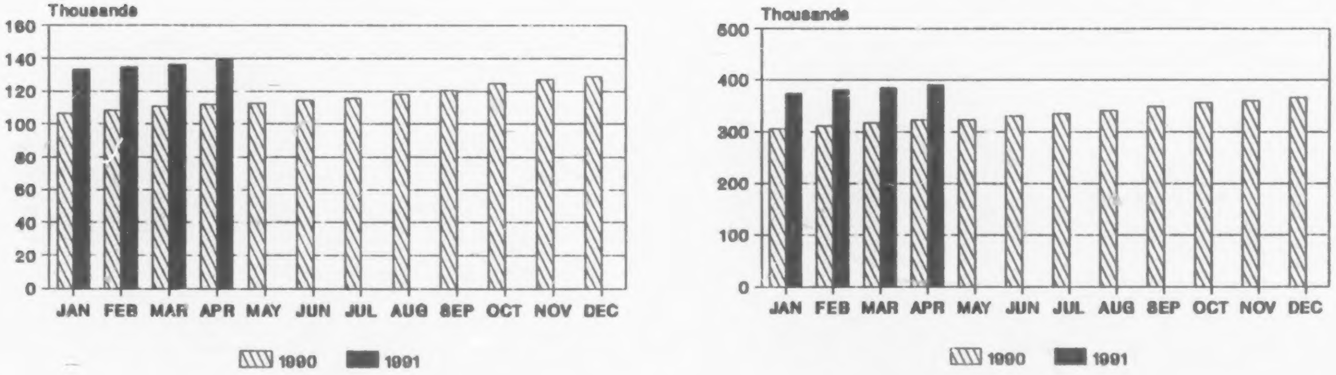
CHART 6

FOOD STAMP PROGRAM

COMPARISON OF HOUSEHOLDS, RECIPIENTS, PAYMENTS AND AVERAGE PAYMENT FOR 1990 AND 1991

HOUSEHOLDS

RECIPIENTS



PAYMENTS

AVERAGE PAYMENT PER HOUSEHOLD

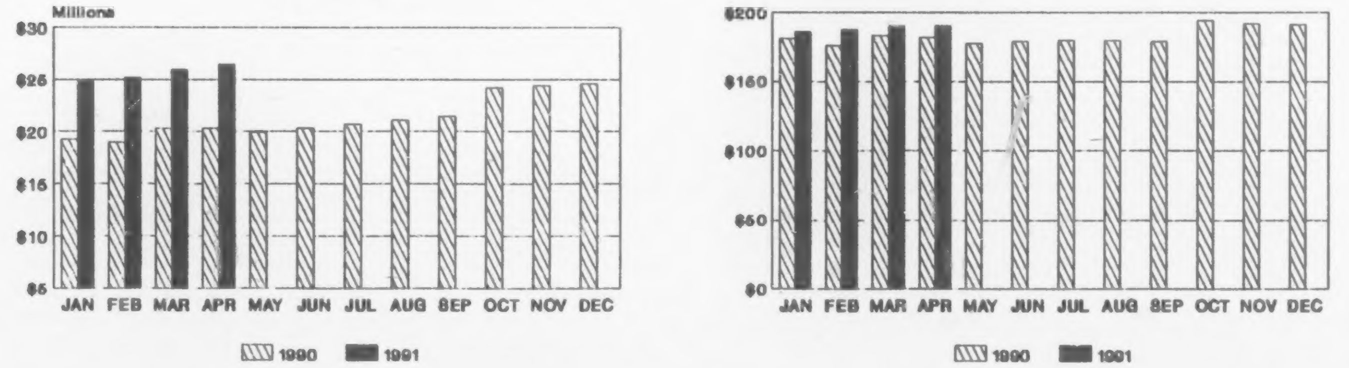


TABLE 7

MEDICAL ASSISTANCE ONLY

CASES

	APRIL 1991									CHANGE FROM MARCH 1991								
	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL
ARIZONA	9,457	57,766	12,394	1,557	11	4,995	4,499	3,029	93,708	344	2,272	(122)	(2)	(4)	(186)	(42)	176	2,436
DISTRICT I																		
MARICOPA	4,754	25,845	5,102	844	8	2,704	2,539	1,563	43,359	232	1,337	(40)	14	(5)	(127)	(28)	112	1,495
DISTRICT II																		
PIMA	1,542	9,773	1,850	425	3	859	785	699	15,936	89	286	19	6	2	(71)	(1)	48	378
DISTRICT III	1,152	10,042	2,557	128	0	412	337	268	14,896	9	406	(55)	(18)	0	22	5	24	393
APACHE	205	3,361	993	57	0	19	15	29	4,679	4	141	(7)	(10)	0	1	(10)	3	122
COCONINO	334	2,371	509	21	0	132	131	92	3,590	(28)	150	15	(7)	0	(11)	2	16	137
NAVAJO	316	2,678	746	16	0	101	73	54	3,984	26	30	(39)	1	0	18	7	(3)	40
YAVAPAI	297	1,632	309	34	0	160	118	93	2,643	7	85	(24)	(2)	0	14	6	8	94
DISTRICT IV	808	4,490	1,199	66	0	454	352	169	7,538	55	120	10	0	(1)	(15)	0	(16)	153
LA PAZ	0	0	0	0	0	5	23	9	37	0	0	0	0	(1)	(1)	(4)	2	(4)
MOHAVE	313	1,657	401	32	0	207	155	68	2,833	(17)	(68)	(44)	1	0	21	(2)	(1)	(110)
YUMA	495	2,833	798	34	0	242	174	92	4,668	72	188	54	(1)	0	(35)	6	(17)	267
DISTRICT V	612	3,814	914	49	0	281	250	161	6,081	11	130	(19)	3	0	11	(30)	4	110
GILA	166	1,127	248	10	0	74	40	43	1,708	11	66	7	2	0	2	(1)	(5)	82
PINAL	446	2,687	666	39	0	207	210	118	4,373	0	64	(26)	1	0	9	(29)	9	28
DISTRICT VI	589	3,802	772	45	0	285	236	169	5,898	(52)	(7)	(37)	(7)	0	(6)	12	4	(93)
COCHISE	317	1,760	395	24	0	153	106	89	2,844	(9)	(13)	(11)	0	0	(3)	8	1	(27)
GRAHAM	29	131	25	5	0	27	55	11	283	(1)	6	(3)	(1)	0	(12)	9	0	(2)
GREENLEE	102	851	166	2	0	18	13	22	1,174	(21)	(13)	(22)	(3)	0	2	0	(5)	(62)
SANTA CRUZ	141	1,060	186	14	0	87	62	47	1,597	(21)	13	(1)	(3)	0	7	(5)	8	(2)

* ALL OTHER: includes IRCA, AFDC Less Than $10, MAO Sibling Income, MAO Deemed Income, MAO Unemployed Parent, AFDC 9 Month Continuing, MAO QPW, MAO QPW Needy, SSI Wid/Widower and SSI Pickles, and First Extension.

TABLE 7

MEDICAL ASSISTANCE ONLY

RECIPIENTS**

	APRIL 1991									CHANGE FROM MARCH 1991								
	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL
ARIZONA	9,457	57,766	12,394	1,557	13	6,051	4,549	3,274	95,061	344	2,272	(122)	(2)	(17)	(244)	(43)	207	2,395
DISTRICT I																		
MARICOPA	4,754	25,845	5,102	844	8	3,338	2,565	1,695	44,151	232	1,337	(40)	14	(16)	(189)	(29)	130	1,439
DISTRICT II																		
PIMA	1,542	9,773	1,850	425	5	1,001	798	748	16,142	89	286	19	6	2	(76)	0	63	389
DISTRICT III	1,152	10,042	2,557	128	0	488	343	282	14,992	9	406	(55)	(18)	0	32	5	18	397
APACHE	205	3,361	993	57	0	25	15	37	4,693	4	141	(7)	(10)	0	7	(11)	5	129
COCONINO	334	2,371	509	21	0	152	134	90	3,611	(28)	150	15	(7)	0	(16)	1	8	123
NAVAJO	316	2,678	746	16	0	116	75	60	4,007	26	30	(39)	1	0	22	9	(1)	48
YAVAPAI	297	1,632	309	34	0	195	119	95	2,681	7	85	(24)	(2)	0	19	6	6	97
DISTRICT IV	808	4,490	1,199	66	0	544	354	185	7,646	55	120	10	0	(3)	(18)	0	(12)	152
LA PAZ	0	0	0	0	0	5	23	11	39	0	0	0	0	(3)	(1)	(4)	2	(6)
MOHAVE	313	1,657	401	32	0	248	156	74	2,881	(17)	(68)	(44)	1	0	16	(2)	1	(113)
YUMA	495	2,833	798	34	0	291	175	100	4,726	72	188	54	(1)	0	(33)	6	(15)	271
DISTRICT V	612	3,814	914	49	0	348	251	180	6,168	11	130	(19)	3	0	28	(31)	8	130
GILA	166	1,127	248	10	0	92	40	45	1,728	11	66	7	2	0	11	(2)	(3)	92
PINAL	446	2,687	666	39	0	256	211	135	4,440	0	64	(26)	1	0	17	(29)	11	38
DISTRICT VI	589	3,802	772	45	0	332	238	184	5,962	(52)	(7)	(37)	(7)	0	(21)	12	0	(112)
COCHISE	317	1,760	395	24	0	185	107	102	2,890	(9)	(13)	(11)	0	0	(12)	9	3	(33)
GRAHAM	29	131	25	5	0	35	55	11	291	(1)	6	(3)	(1)	0	(13)	8	0	(4)
GREENLEE	102	851	166	2	0	21	13	24	1,179	(21)	(13)	(22)	(3)	0	0	0	(9)	(68)
SANTA CRUZ	141	1,060	186	14	0	91	63	47	1,602	(21)	13	(1)	(3)	0	4	(5)	6	(7)

* ALL OTHER: includes IRCA, AFDC Less Than $10, MAO Sibling Income, MAO Deemed Income, MAO Unemployed Parent, AFDC 9 Month Continuing, MAO QPW, MAO QPW Needy, SSI Wid/Widower and SSI Pickles, and First Extension.

** AFDC 4 Month Continuing, AFDC 9 Month Continuing, AFDC Less Than $10 and MAO Sibling Income estimated at 2.9 recipients per case.

TABLE 7

MEDICAL ASSISTANCE ONLY

CASES

	APRIL 1991									CHANGE FROM APRIL 1990								
	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL
ARIZONA	9,457	57,766	12,394	1,557	11	4,995	4,499	3,029	93,708	1,944	16,783	(1,466)	(36)	(913)	48	251	2,172	18,783
DISTRICT I																		
MARICOPA	4,754	25,845	5,102	844	8	2,704	2,539	1,563	43,359	1,048	8,566	(214)	(3)	(482)	76	84	1,160	10,235
DISTRICT II																		
PIMA	1,542	9,773	1,850	425	3	859	785	699	15,936	239	2,286	(460)	(74)	(163)	(51)	21	500	2,298
DISTRICT III	1,152	10,042	2,557	128	0	412	337	268	14,896	223	2,776	(420)	33	(84)	41	80	179	2,828
APACHE	205	3,361	993	57	0	19	15	29	4,679	41	792	(284)	49	(11)	(11)	(6)	12	582
COCONINO	334	2,371	509	21	0	132	131	92	3,590	65	761	(27)	(5)	(32)	17	41	68	888
NAVAJO	316	2,678	746	16	0	101	73	54	3,984	49	652	(92)	(3)	(17)	22	27	25	663
YAVAPAI	297	1,632	309	34	0	160	118	93	2,643	68	571	(17)	(8)	(24)	13	18	74	695
DISTRICT IV	808	4,490	1,199	66	0	454	352	169	7,538	261	1,329	(152)	4	(83)	37	56	129	1,581
LA PAZ	0	0	0	0	0	5	23	9	37	0	0	0	0	(3)	(26)	5	9	(15)
MOHAVE	313	1,657	401	32	0	207	155	68	2,833	71	382	(1)	5	(28)	27	31	53	540
YUMA	495	2,833	798	34	0	242	174	92	4,668	190	947	(151)	(1)	(52)	36	20	67	1,056
DISTRICT V	612	3,814	914	49	0	281	250	161	6,081	75	950	2	4	(45)	(9)	1	92	1,070
GILA	166	1,127	248	10	0	74	40	43	1,708	0	271	6	3	(10)	13	(1)	15	297
PINAL	446	2,687	666	39	0	207	210	118	4,373	75	679	(4)	1	(35)	(22)	2	77	773
DISTRICT VI	589	3,802	772	45	0	285	236	169	5,898	98	876	(222)	0	(56)	(46)	9	112	771
COCHISE	317	1,760	395	24	0	153	106	89	2,844	31	349	(97)	4	(40)	(13)	(11)	60	283
GRAHAM	29	131	25	5	0	27	55	11	283	10	27	(6)	(2)	0	(14)	5	9	29
GREENLEE	102	851	166	2	0	18	13	22	1,174	(10)	145	(96)	(8)	(7)	(1)	8	8	39
SANTA CRUZ	141	1,060	186	14	0	87	62	47	1,597	67	355	(23)	6	(9)	(18)	7	35	420

* ALL OTHER: includes IRCA, AFDC Less Than $10, MAO Sibling Income, MAO Deemed Income, MAO Unemployed Parent, AFDC 9 Month Continuing, MAO QPW, MAO QPW Needy, SSI Wid/Widower and SSI Pickles.

TABLE 7

MEDICAL ASSISTANCE ONLY

RECIPIENTS**

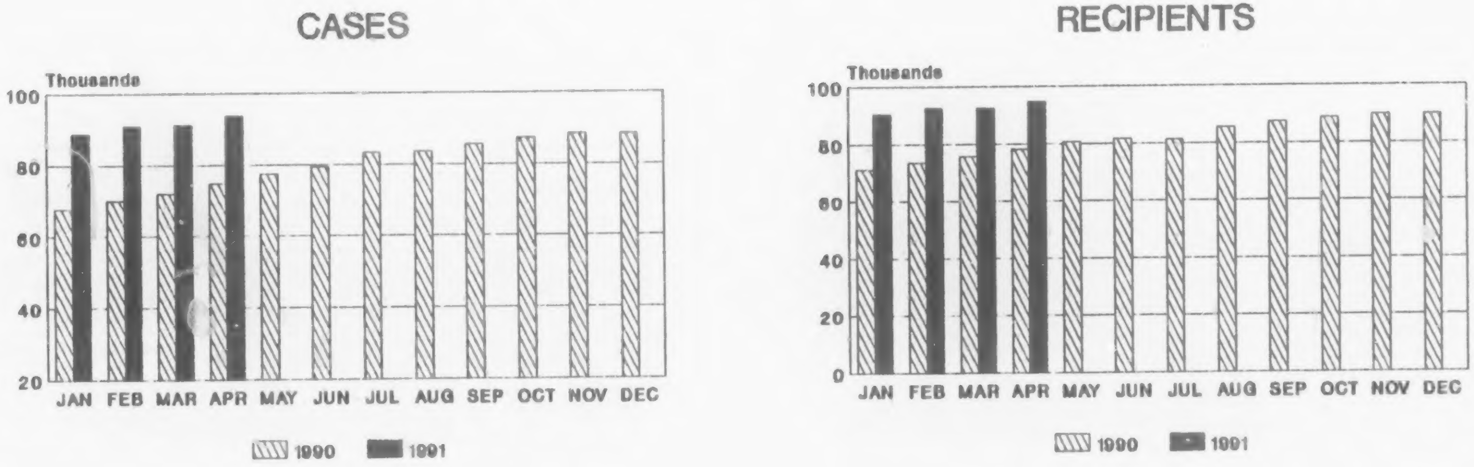
	APRIL 1991									CHANGE FROM APRIL 1990								
	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL
ARIZONA	9,457	57,766	12,394	1,557	13	6,051	4,549	3,274	95,061	1,944	16,783	(1,466)	(36)	(2,658)	(62)	251	2,036	16,792
DISTRICT I																		
MARICOPA	4,754	25,845	5,102	844	8	3,338	2,565	1,695	44,151	1,048	8,566	(214)	(3)	(1,407)	(39)	81	1,110	9,142
DISTRICT II																		
PIMA	1,542	9,773	1,850	425	5	1,001	798	748	16,142	239	2,286	(460)	(74)	(473)	(53)	24	475	1,964
DISTRICT III	1,152	10,042	2,557	128	0	488	343	282	14,992	223	2,776	(420)	33	(244)	54	81	149	2,652
APACHE	205	3,361	993	57	0	25	15	37	4,693	41	792	(284)	49	(32)	(8)	(7)	1	552
COCONINO	334	2,371	509	21	0	152	134	90	3,611	65	761	(27)	(5)	(93)	13	41	62	817
NAVAJO	316	2,678	746	16	0	116	75	60	4,007	49	652	(92)	(3)	(49)	22	29	20	628
YAVAPAI	297	1,632	309	34	0	195	119	95	2,681	68	571	(17)	(8)	(70)	27	18	66	655
DISTRICT IV	808	4,490	1,199	66	0	544	354	185	7,646	261	1,329	(152)	4	(241)	42	57	133	1,433
LA PAZ	0	0	0	0	0	5	23	11	39	0	0	0	0	(9)	(27)	5	11	(20)
MOHAVE	313	1,657	401	32	0	248	156	74	2,881	71	382	(1)	5	(81)	23	32	55	486
YUMA	495	2,833	798	34	0	291	175	100	4,726	190	947	(151)	(1)	(151)	46	20	67	967
DISTRICT V	612	3,814	914	49	0	348	251	180	6,168	75	950	2	4	(131)	(10)	(1)	69	958
GILA	166	1,127	248	10	0	92	40	45	1,728	0	271	6	3	(29)	19	(1)	(4)	265
PINAL	446	2,687	666	39	0	256	211	135	4,440	75	679	(4)	1	(102)	(29)	0	73	693
DISTRICT VI	589	3,802	772	45	0	332	238	184	5,962	98	876	(222)	0	(162)	(56)	9	100	643
COCHISE	317	1,760	395	24	0	185	107	102	2,890	31	349	(97)	4	(116)	(24)	(10)	58	195
GRAHAM	29	131	25	5	0	35	55	11	291	10	27	(6)	(2)	0	(15)	3	9	26
GREENLEE	102	851	166	2	0	21	13	24	1,179	(10)	145	(96)	(8)	(20)	1	8	4	24
SANTA CRUZ	141	1,060	186	14	0	91	63	47	1,602	67	355	(23)	6	(26)	(18)	8	29	398

* ALL OTHER: includes IRCA, AFDC Less Than $10, MAO Sibling Income, MAO Deemed Income, MAO Unemployed Parent, AFDC 9 Month Continuing, MAO QPW, MAO QPW Needy, SSI Wid/Widower and SSI Pickles.

** AFDC 4 Month Continuing, AFDC 9 Month Continuing, AFDC Less Than $10 and MAO Sibling Income estimated at 2.9 recipients per case.

CHART 7

MEDICAL ASSISTANCE ONLY PROGRAM
COMPARISON OF CASES AND RECIPIENTS
FOR 1990 AND 1991



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**** STATISTICAL BULLETIN ****

ARIZONA DEPARTMENT OF ECONOMIC SECURITY
FAMILY ASSISTANCE ADMINISTRATION
BOX 6123, PHOENIX, ARIZONA 85005
PHONE (602) 542-3678

MAY 1991

THIS ISSUE OF THE STATISTICAL BULLETIN COMPARES MAY 1991 DATA FOR EACH OF THE INDICATED PROGRAMS WITH THE INFORMATION FOR APRIL 1991 AND MAY 1990. STATEWIDE SUMMARIES OF ACTIVITY WITHIN EACH OF THE SPECIFIC PROGRAMS FOR THIS REPORT PERIOD ARE DISCUSSED BELOW. ONE NEW TABLE DETAILING THE AFDC UNEMPLOYED PARENT PROGRAM HAS BEEN ADDED. THE TABLES COMPARE CURRENT AND PRIOR MONTH DATA. DISTRICT AND COUNTY COMPARISONS ARE PROVIDED WITHIN THIS BULLETIN.

AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM (AFDC)

MAY AFDC CASES INCREASED 474 (0.92%) TO 51,827, RECIPIENTS INCREASED 1,464 (1.01%) TO 146,599. AFDC PAYMENTS INCREASED $ 95,710 (0.72%) TO $13,428,093. THE AVERAGE PAYMENT PER CASE DECREASED $0.53 (0.20%) TO $259.09. PAYMENT PER RECIPIENT DECREASED $0.26 (0.28%) TO $91.60.

COMPARING CURRENT DATA WITH THAT OF 1990, CASES INCREASED 7,072 (15.80%), AFDC RECIPIENTS INCREASED 18,236 (14.21%). TOTAL PAYMENTS INCREASED $1,821,212 (15.69%). THE AVERAGE PAYMENT PER CASE DECREASED $0.25 (0.10%) AND THE AVERAGE PAYMENT PER RECIPIENT INCREASED $1.18 (1.31%).

AFDC UNEMPLOYED PARENT PROGRAM (AFDC-UP)

MAY AFDC-UP CASES DECREASED 33 (2.85%) TO 1,124; RECIPIENTS DECREASED 194 (3.81%) TO 4,892. AFDC-UP PAYMENTS DECREASED $13,622 (3.75%) TO $349,786. THE AVERAGE PAYMENT PER CASE DECREASED $ 2.90 (0.92%) TO $311.20. THE AVERAGE PAYMENT PER RECIPIENT INCREASED $ 0.05 (0.07%) TO $71.50.

GENERAL ASSISTANCE PROGRAM (GA)

MAY GA CASES DECREASED BY 97 (1.36%) TO 7,035. RECIPIENTS INCREASED BY 110 (1.54%) TO 7,054. THE AMOUNT OF GA PAYMENTS DECREASED BY $ 5,271 (00.48%) TO $1,097,083. THE AVERAGE PAYMENT PER CASE INCREASED $1.39 (0.90%) TO $155.95. THE AVERAGE PAYMENT PER RECIPIENT INCREASED $1.66 (1.08%) TO $155.53.

COMPARED TO 1990, GA CASES INCREASED 1,258 (21.78%); RECIPIENTS INCREASED 1,265 (21.85%); TOTAL PAYMENTS INCREASED BY $192,766 (21.32%). THE AVERAGE PAYMENT PER CASE DECREASED $0.59 (0.38%); THE AVERAGE PAYMENT PER RECIPIENT DECREASED $0.68 (0.44%).

EMERGENCY ASSISTANCE PROGRAM (EA)

IN MAY 1991, EA CASES INCREASED 10 (2.67%) TO 385. TOTAL PAYMENTS INCREASED $ 1,655 (3.70%) TO $46,397; THE AVERAGE PAYMENT AMOUNT INCREASED $1.20 (1.01%) RESULTING IN AN AVERAGE PAYMENT OF $120.51.

COMPARED TO 1990 DATA EA PAYMENTS DECREASED 81 (17.38%); THE PAYMENTS DECREASED $10,247 (18.09%); AND THE AVERAGE PAYMENTS DECREASED $1.04 (0.86%).

TUBERCULOSIS CONTROL PROGRAM (TC)

IN MAY 1991, THE NUMBER OF CASES AND RECIPIENTS DECREASED BY 1 (20.00%) TO 4; PAYMENTS DECREASED BY $108 (16.12%) TO $562; THE AVERAGE PAYMENT PER CASE AND RECIPIENT INCREASED BY $ 6.50 (4.85%) TO $140.50.

WHEN COMPARED TO 1990, TC CASES AND RECIPIENTS DECREASED BY 7 (63.64%); PAYMENTS DECREASED BY $1,211 (68.30%); THE AVERAGE PAYMENT PER CASE AND RECIPIENT DECREASED $20.68 (12.83%).

SUPPLEMENTAL PAYMENTS PROGRAM (SPP)

MAY SPP CASES DECREASED BY 47 (6.79%) TO 645; TOTAL PAYMENTS DECREASED $2,560 (7.24%) TO $32,820, WITH THE AVERAGE PAYMENT PER CASE DECREASING $0.25 (0.49%) TO $50.88.

COMPARING 1990 ACTIVITY: CASES DECREASED BY 5 (0.77%); PAYMENTS TO RECIPIENTS DECREASED $1,090 (3.21%) AND THE AVERAGE PAYMENT PER CASE DECREASED $1.29 (2.47%).

FOOD STAMP PROGRAM (FS)

FOOD STAMP HOUSEHOLDS INCREASED 590 (0.43%) TO 139,302, PERSONS RECEIVING FOOD STAMPS INCREASED 904 (0.23%) TO 392,429 AND TOTAL COUPON ISSUANCE DECREASED $398,194 (1.51%) TO $25,984,577. AVERAGE ALLOTMENT PER HOUSEHOLD DECREASED BY $ 3.67 (1.93%) TO $186.53, WITH THE AVERAGE ALLOTMENT PER PERSON DECREASING $1.17 (1.74%) TO $66.21.

COMPARED TO 1990, FS HOUSEHOLDS INCREASED 26,709 (23.72%), PERSONS RECEIVING COUPONS INCREASED 69,399 (21.48%) AND THE TOTAL COUPON ISSUANCE INCREASED BY $6,014,350 (30.12%). THE AVERAGE HOUSEHOLD ALLOTMENT INCREASED $ 9.16 (5.16%). THE ALLOTMENT PER PERSON INCREASED $4.39 (7.10%).

MEDICAL ASSISTANCE ONLY (MAO)

COMPARED WITH APRIL DATA, TOTAL MAO CASES INCREASED 1,712 (1.83%) TO 95,420. SOBRA WOMEN INCREASED 180 (1.90%); SOBRA CHILDREN INCREASED 1,594 (2.76%); RIBICOFFS DECREASED 267 (2.15%); RIBICOFF + AFDC INCREASED 25 (1.61%); 4 MONTH CONTINUANCE DECREASED 2 (18.18%); 6 MONTH GUARANTEED DECREASED 155 (3.10%); NEWBORNS INCREASED 298 (6.62%); ALL OTHER CATEGORIES INCREASED 39 (1.29%).

TOTAL MAO RECIPIENTS INCREASED 1,670 (1.76%) TO 96,731. CHANGES IN SOBRA WOMEN, SOBRA CHILDREN, RIBICOFFS AND RIBICOFF + AFDC DUPLICATE CHANGES IN CASES. THE 4 MONTH CONTINUANCE DECREASED BY 4 (30.77%); 6 MONTH GUARANTEED DECREASED BY 227 (3.75%); NEWBORNS INCREASED BY 306 (6.73%) AND ALL OTHER CATEGORIES INCREASED BY 63 (1.92%).

TABLE 1

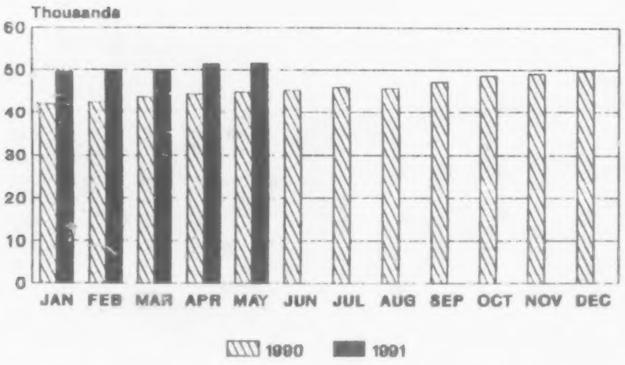
AID TO FAMILIES WITH DEPENDENT CHILDREN: ARIZONA 1/

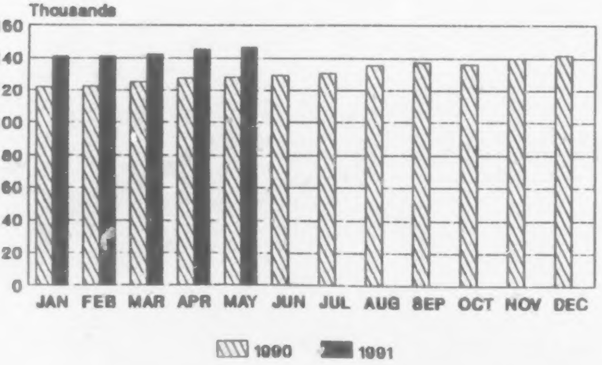
	MAY 1991							CHANGE FROM APRIL 1991			CHANGE FROM MAY 1990		
	FAMILIES (CASES)	PERSONS (RECIP.)	ADULTS	CHILDREN	TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.	FAMILIES (CASES)	PERSONS (RECIP.)	TOTAL PAYMENTS	FAMILIES (CASES)	PERSONS (RECIP.)	TOTAL PAYMENTS
ARIZONA	51,827	146,599	43,926	102,673	13,428,093	259.09	91.60	474	1,464	95,710	7,072	18,236	1,821,212
DISTRICT I													
MARICOPA	26,996	76,606	22,854	53,752	7,190,914	266.37	93.87	619	3,933	641,316	4,270	10,973	1,083,755
DISTRICT II													
PIMA	9,075	25,173	7,624	17,549	2,368,986	261.05	94.11	153	544	(388,083)	1,211	2,999	302,502
DISTRICT III	6,449	18,290	5,426	12,864	1,433,222	222.24	78.36	(418)	(3,254)	(46,546)	562	1,602	164,682
APACHE	2,508	7,428	2,083	5,345	530,289	211.44	71.39	(110)	(1,485)	(14,607)	149	412	47,825
COCONINO	1,283	3,563	1,088	2,475	292,949	228.33	82.22	35	70	4,633	183	492	55,642
NAVAJO	1,750	4,858	1,427	3,431	377,946	215.97	77.80	(256)	(1,741)	(31,461)	146	529	40,078
YAVAPAI	908	2,441	828	1,613	232,038	255.55	95.06	(87)	(98)	(5,111)	84	169	21,137
DISTRICT IV	2,650	7,556	2,338	5,218	686,436	259.03	90.85	74	330	(117,399)	434	1,196	104,021
LA PAZ	201	586	173	413	52,719	262.28	89.96	(26)	(93)	(3,789)	11	30	2,698
MOHAVE	964	2,606	869	1,737	241,325	250.34	92.60	12	78	7,690	155	495	36,655
YUMA	1,485	4,364	1,296	3,068	392,392	264.24	89.92	86	345	(121,300)	268	671	64,668
DISTRICT V	3,955	11,561	3,424	8,137	1,052,560	266.13	91.04	91	402	19,716	308	778	96,883
GILA	815	2,196	682	1,514	204,758	251.24	93.24	22	108	7,805	45	107	20,484
PINAL	3,140	9,365	2,742	6,623	847,802	270.00	90.53	69	294	11,911	263	671	76,399
DISTRICT VI	2,702	7,413	2,260	5,153	695,975	257.58	93.89	(45)	(491)	(13,294)	287	688	69,369
COCHISE	1,608	4,428	1,364	3,064	416,802	259.21	94.13	0	(201)	(1,720)	175	438	43,520
GRAHAM	612	1,686	507	1,179	158,523	259.02	94.02	(49)	(298)	(11,739)	24	78	6,961
GREENLEE	127	325	109	216	32,491	255.83	99.97	(7)	(38)	(944)	13	10	2,554
SANTA CRUZ	355	974	280	694	88,159	248.34	90.51	11	46	1,109	75	162	16,334

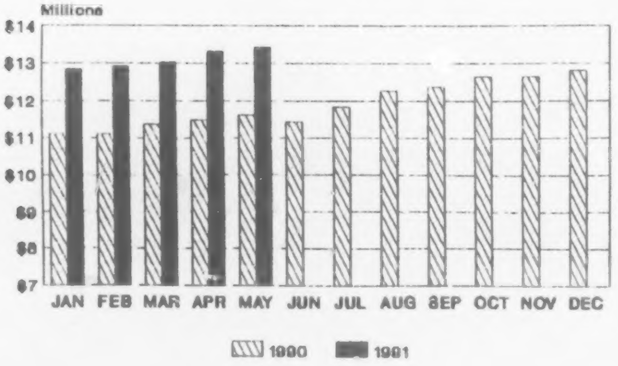
1/ INCLUDES: NAVAJO/HOPI TOTALS OF: 3,686 CASES; 10,842 RECIPIENTS; $752,024.
EXCLUDES: A. PRIOR MONTH NET TOTALS OF: 1,928 CASES; 4,850 RECIPIENTS; $281,228.
B: FOSTER CARE CHILDREN: 919 CASES; 919 RECIPIENTS; $504,354.
C. REFUGEE RESETTLEMENT PROGRAM: 15 CASES; 30 RECIPIENTS; $3,276.

CHART 1

AID TO FAMILIES WITH DEPENDENT CHILDREN PROGRAM
COMPARISON OF CASES, RECIPIENTS, PAYMENTS & AVERAGE PAYMENT
FOR 1990 AND 1991


CASES


RECIPIENTS


PAYMENTS

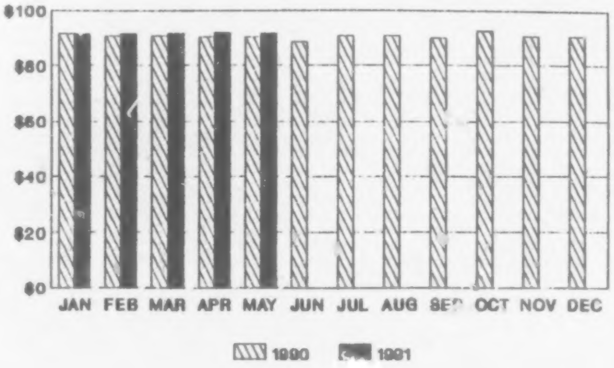

AVERAGE PAYMENT PER RECIPIENT

TABLE 1A
AFDC-UP

AFDC - UNEMPLOYED PARENT PROGRAM : ARIZONA 1/

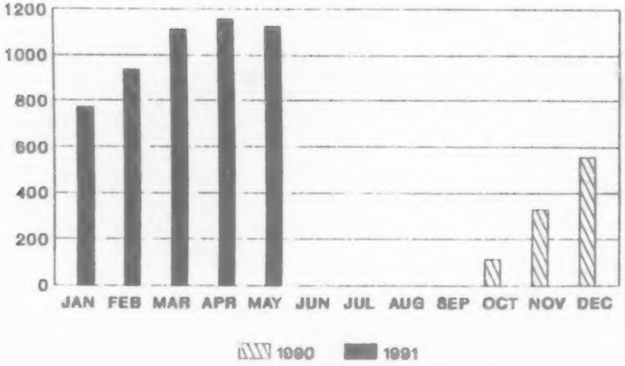
	MAY 1991							CHANGE FROM APRIL 1990				
	FAMILIES (CASES)	PERSONS (RECIP.)	ADULTS	CHILDREN	TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.	FAMILIES (CASES)	PERSONS (RECIP.)	AVERAGE TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.
ARIZONA	1,124	4,892	2,061	2,831	349,786	311.20	71.50	(33)	(194)	(13,622)	(2.90)	0.05
DISTRICT I												
MARICOPA	424	1,829	761	1,068	140,344	331.00	76.73	26	88	6,286	(5.83)	(0.27)
DISTRICT II												
PIMA	177	714	306	408	55,078	311.18	77.14	(1)	(11)	(924)	(3.44)	(0.10)
DISTRICT III	311	1,437	607	830	89,713	288.47	62.43	(46)	(230)	(15,381)	(5.91)	(0.61)
APACHE	85	414	168	246	23,207	273.02	56.06	(14)	(50)	(3,474)	3.52	(1.45)
COCONINO	24	94	48	52	6,393	266.38	68.01	(6)	(40)	(2,015)	(13.89)	5.26
NAVAJO	183	849	359	490	53,766	293.80	63.33	(18)	(113)	(7,346)	(10.24)	(0.20)
YAVAPAI	19	74	32	42	6,347	334.05	85.77	(8)	(33)	(2,546)	4.68	2.66
DISTRICT IV	67	285	120	165	20,477	305.63	71.85	1	4	918	9.28	2.24
LA PAZ	17	78	32	46	5,490	322.94	70.38	2	9	261	(25.66)	(5.40)
MOHAVE	28	116	53	63	8,380	299.29	72.24	(7)	(30)	(1,294)	22.89	5.98
YUMA	22	91	35	56	6,607	300.32	72.60	6	25	1,951	9.32	2.06
DISTRICT V	42	190	82	108	14,394	342.71	75.76	(4)	(16)	(1,099)	5.91	0.55
GILA	14	63	27	36	4,718	337.00	74.89	(2)	(6)	(199)	29.69	3.63
PINAL	28	127	55	72	9,676	345.57	76.19	(2)	(10)	(900)	(6.96)	(1.01)
DISTRICT VI	103	437	185	252	29,780	289.13	68.15	(9)	(29)	(3,422)	(7.32)	(3.10)
COCHISE	45	174	73	101	12,927	287.27	74.29	(5)	(18)	(2,426)	(19.79)	(5.67)
GRAHAM	41	198	81	117	11,859	289.24	59.89	(7)	(22)	(1,860)	3.43	(2.47)
GREENLEE	11	45	21	24	3,582	325.64	79.60	2	11	860	23.19	(0.46)
SANTA CRUZ	6	20	10	10	1,412	235.33	70.60	1	0	4	(46.27)	0.20

1/ INCLUDES: NAVAJO/HOPI TOTALS OF: 152 CASES; 728 RECIPIENTS; $40,423.
EXCLUDES: A. PRIOR MONTH NET TOTALS OF: 99 CASES; 343 RECIPIENTS; $18,118.

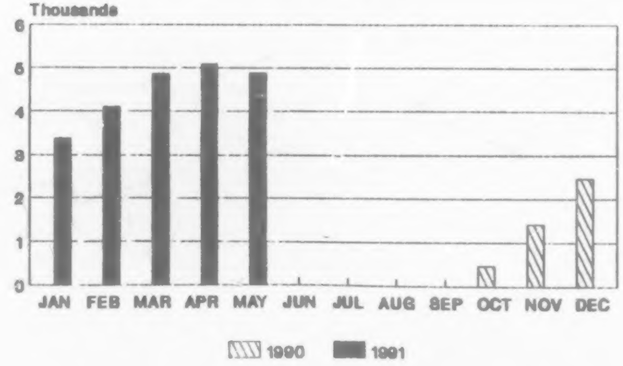
TABLE 1A

AFDC UNEMPLOYED PARENT PROGRAM
COMPARISON OF CASES, RECIPIENTS, PAYMENTS & AVERAGE PAYMENT FOR 1990 AND 1991

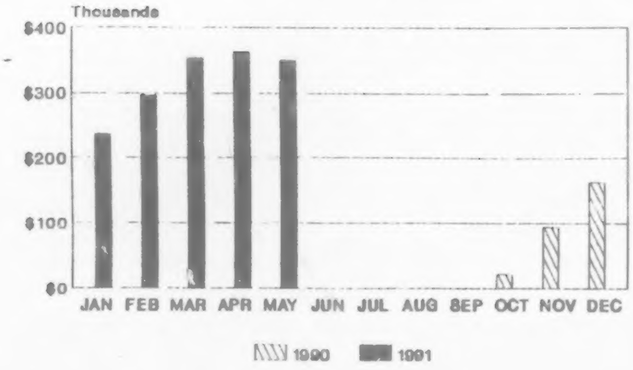
CASES



RECIPIENTS



PAYMENTS



AVERAGE PAYMENT PER RECIPIENT

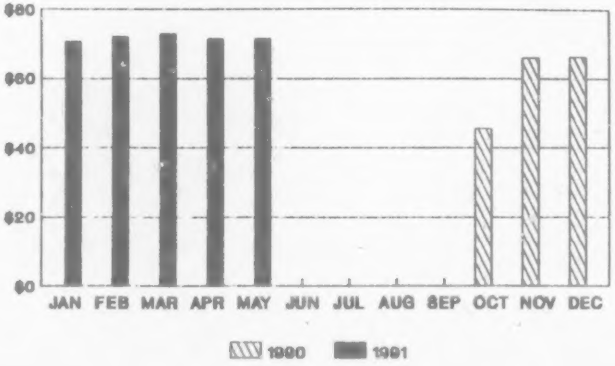


TABLE 2

GENERAL ASSISTANCE: ARIZONA 1/

	MAY 1991					CHANGE FROM APRIL 1991			CHANGE FROM MAY 1990		
	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS
ARIZONA	7,035	7,054	1,097,083	155.95	155.53	(97)	(110)	(5,271)	1,258	1,265	192,766
DISTRICT I											
MARICOPA	4,114	4,120	644,098	156.56	156.33	(5)	(18)	8,888	777	774	118,584
DISTRICT II											
PIMA	1,513	1,522	232,778	153.85	152.94	(77)	(77)	(12,965)	202	210	27,610
DISTRICT III	320	320	51,277	160.24	160.24	(12)	(12)	(1,481)	107	107	17,457
APACHE	13	13	1,848	142.15	142.15	2	2	250	6	6	767
COCONINO	65	65	10,194	156.83	156.83	4	4	540	16	16	2,679
NAVAJO	40	40	6,019	150.48	150.48	(1)	(1)	(196)	15	15	1,899
YAVAPAI	202	202	33,216	164.44	164.44	(17)	(17)	(2,075)	70	70	12,112
DISTRICT IV	315	315	48,107	152.72	152.72	(17)	(17)	(2,119)	74	74	12,203
LA PAZ	31	31	4,848	156.39	156.39	4	4	804	1	1	68
MOHAVE	177	177	28,189	159.26	159.26	(7)	(7)	(685)	60	60	9,923
YUMA	107	107	15,070	140.84	140.84	(14)	(14)	(2,238)	13	13	2,212
DISTRICT V	466	470	72,192	154.92	153.60	10	10	1,317	38	40	7,046
GILA	104	104	16,450	158.17	158.17	10	10	1,329	23	23	3,731
PINAL	362	366	55,742	153.98	152.30	0	0	(12)	15	17	3,315
DISTRICT VI	307	307	48,631	158.41	158.41	4	4	1,089	60	60	9,866
COCHISE	217	217	34,775	160.25	160.25	5	5	1,180	50	50	7,911
GRAHAM	64	64	10,060	157.19	157.19	(1)	(1)	(23)	14	14	2,701
GREENLEE	9	9	1,484	164.89	164.89	0	0	0	(1)	(1)	(196)
SANTA CRUZ	17	17	2,312	136.00	136.00	0	0	(68)	(3)	(3)	(550)

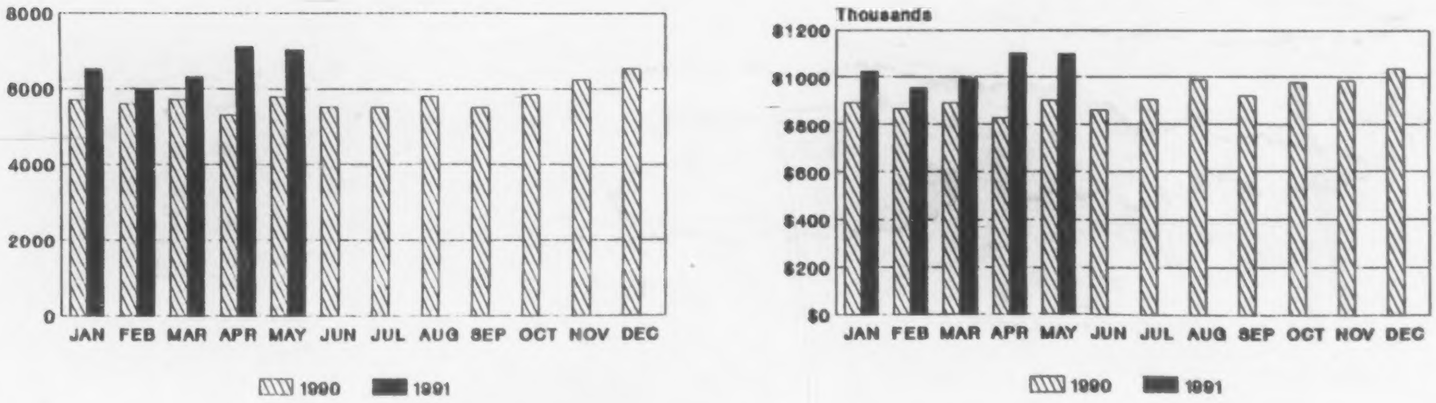
1/ EXCLUDES: PRIOR MONTH NET TOTALS OF: 905 CASES; 905 RECIPIENTS; $132,973.
REFUGEE RESETTLEMENT PROGRAM: 178 CASES; 433 RECIPIENTS; $41,301.

CHART 2

GENERAL ASSISTANCE PROGRAM

COMPARISON OF CASES, PAYMENTS & AVERAGE PAYMENTS

FOR 1990 AND 1991



CASES

PAYMENTS

AVERAGE PAYMENT PER CASE

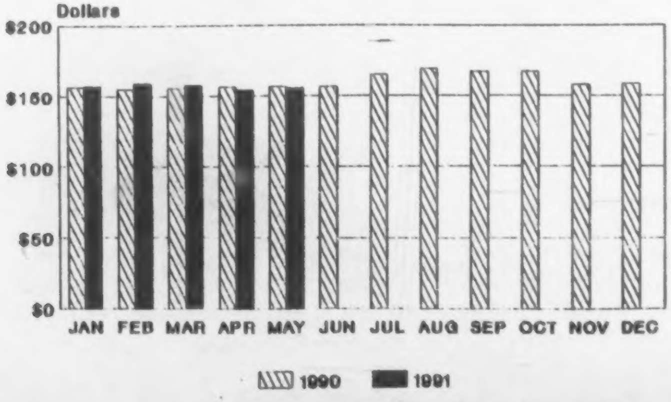


TABLE 3

EMERGENCY ASSISTANCE: ARIZONA 1/

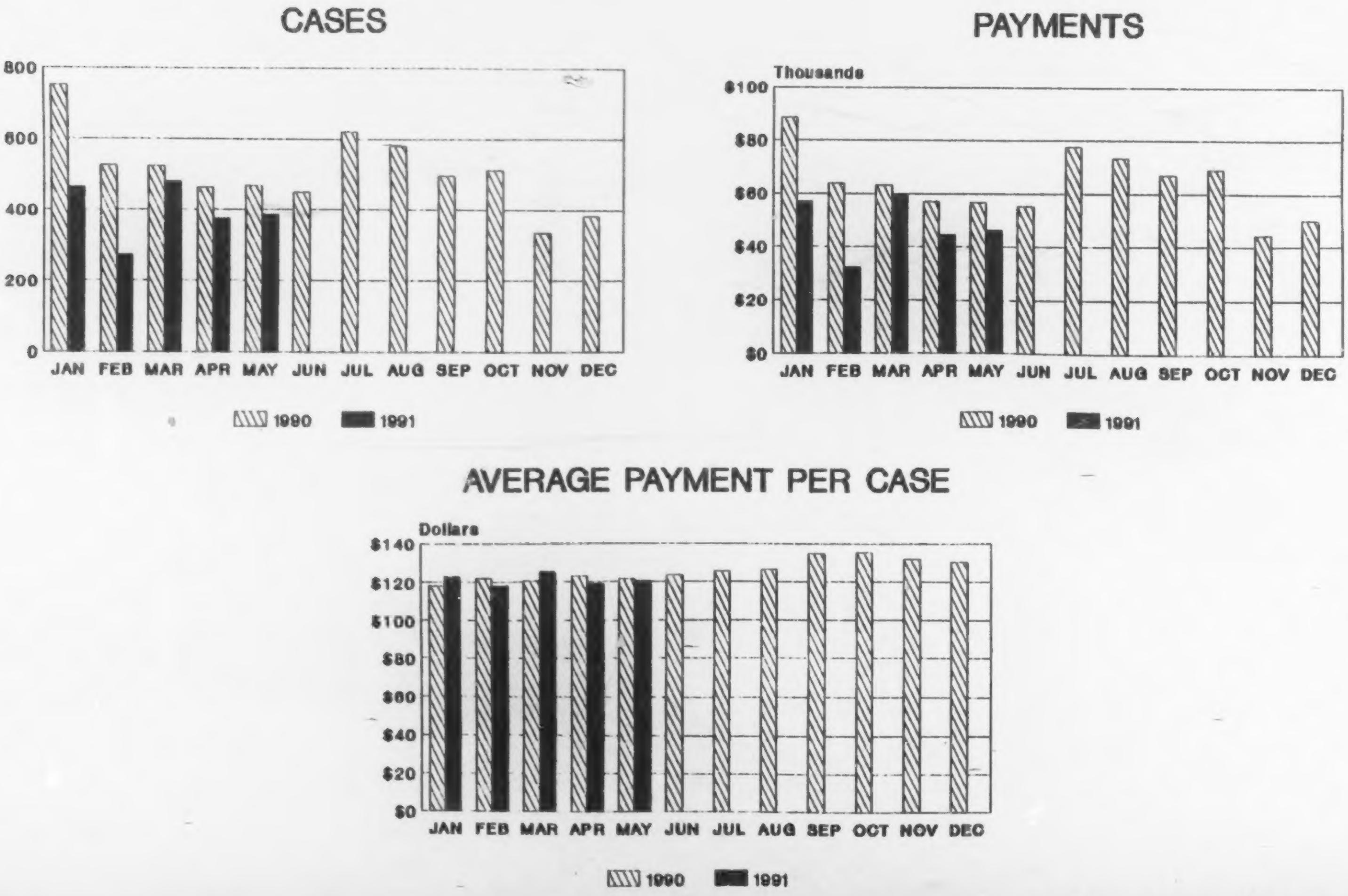
				CHANGE FROM			
	MAY 1991			APRIL 1991		MAY 1990	
	NUMBER OF PAYMENTS	TOTAL PAYMENTS	AVERAGE PAYMENT	NUMBER OF PAYMENTS	TOTAL PAYMENTS	NUMBER OF PAYMENTS	TOTAL PAYMENTS
ARIZONA	385	46,397	120.51	10	1,655	(81)	(10,247)
DISTRICT I							
MARICOPA	233	30,005	128.78	(13)	(1,587)	(129)	(13,946)
DISTRICT II							
PIMA	84	8,825	105.06	17	2,184	45	3,897
DISTRICT III	6	681	113.50	(1)	76	5	650
APACHE	1	33	33.00	0	(22)	1	33
COCONINO	1	179	179.00	1	179	1	179
NAVAJO	4	469	117.25	(2)	(81)	3	438
YAVAPAI	0	0	0.00	0	0	0	0
DISTRICT IV	14	1,727	123.36	5	896	1	(5)
LA PAZ	0	0	0.00	0	0	0	0
MOHAVE	5	592	118.40	0	117	4	422
YUMA	9	1,135	126.11	5	779	(3)	(427)
DISTRICT V	23	2,608	113.39	(1)	(72)	(11)	(1,412)
GILA	0	0	0.00	0	0	0	0
PINAL	23	2,608	113.39	(1)	(72)	(11)	(1,412)
DISTRICT VI	25	2,551	102.04	3	158	8	569
COCHISE	21	2,115	100.71	2	385	13	1,279
GRAHAM	2	239	119.50	0	(265)	(1)	(305)
GREENLEE	0	0	0.00	(1)	(159)	(5)	(477)
SANTA CRUZ	2	197	98.50	2	197	1	72

CHART 3

EMERGENCY ASSISTANCE PROGRAM

COMPARISON OF CASES, PAYMENTS & AVERAGE PAYMENTS

FOR 1990 AND 1991


CASES

PAYMENTS

AVERAGE PAYMENT PER CASE

TABLE 4

TUBERCULOSIS CONTROL: ARIZONA 1/

	MAY 1991					CHANGE FROM					
						APRIL 1991			MAY 1990		
	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS	AVERAGE PAYMENT/ CASE	AVERAGE PAYMENT/ RECIP.	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS	NUMBER OF CASES	PERSONS (RECIP.)	TOTAL PAYMENTS
ARIZONA	4	4	562	140.50	140.50	(1)	(1)	(108)	(7)	(7)	(1,211)
DISTRICT I											
MARICOPA	3	3	389	129.67	129.67	0	0	0	(1)	(1)	(173)
DISTRICT II											
PIMA	1	1	173	173.00	173.00	0	0	0	(5)	(5)	(865)
DISTRICT III	0	0	0	0.00	0.00	0	0	0	0	0	0
APACHE	0	0	0	0.00	0.00	0	0	0	0	0	0
COCONINO	0	0	0	0.00	0.00	0	0	0	0	0	0
NAVAJO	0	0	0	0.00	0.00	0	0	0	0	0	0
YAVAPAI	0	0	0	0.00	0.00	0	0	0	0	0	0
DISTRICT IV	0	0	0	0.00	0.00	(1)	(1)	(108)	(1)	(1)	(173)
LA PAZ	0	0	0	0.00	0.00	0	0	0	0	0	0
MOHAVE	0	0	0	0.00	0.00	0	0	0	(1)	(1)	(173)
YUMA	0	0	0	0.00	0.00	(1)	(1)	(108)	0	0	0
DISTRICT V	0	0	0	0.00	0.00	0	0	0	0	0	0
GILA	0	0	0	0.00	0.00	0	0	0	0	0	0
PINAL	0	0	0	0.00	0.00	0	0	0	0	0	0
DISTRICT VI	0	0	0	0.00	0.00	0	0	0	0	0	0
COCHISE	0	0	0	0.00	0.00	0	0	0	0	0	0
GRAHAM	0	0	0	0.00	0.00	0	0	0	0	0	0
GREENLEE	0	0	0	0.00	0.00	0	0	0	0	0	0
SANTA CRUZ	0	0	0	0.00	0.00	0	0	0	0	0	0

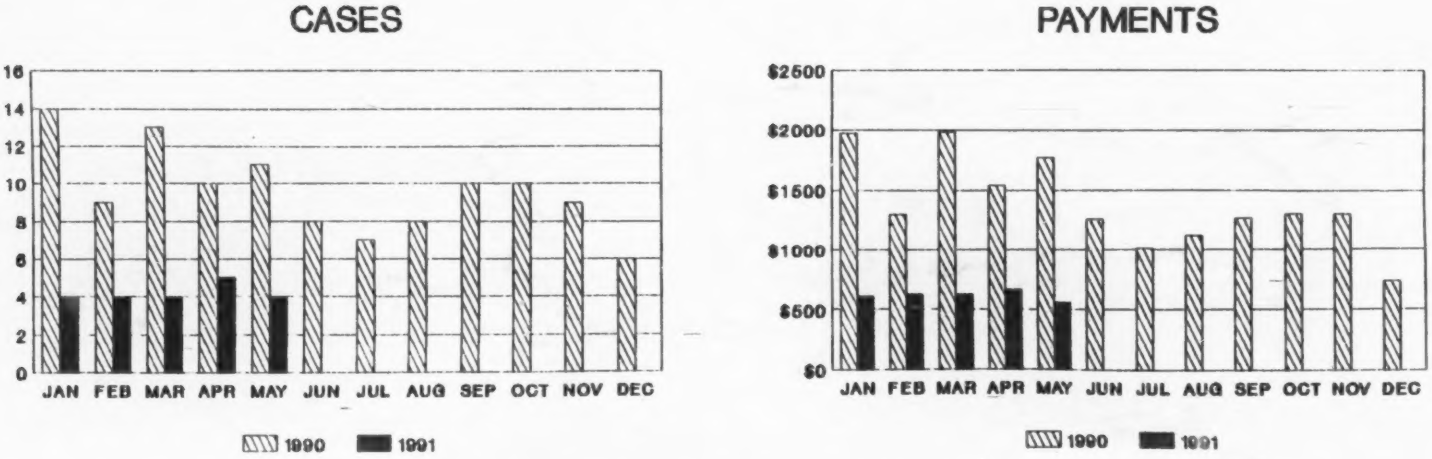
1/ EXCLUDES: PRIOR MONTH NET TOTALS OF: 0 CASES; 0 RECIPIENTS; $0.

CHART 4

TUBERCULOSIS CONTROL PROGRAM

COMPARISON OF CASES, PAYMENTS & AVERAGE PAYMENT

FOR 1990 AND 1991



CASES

PAYMENTS

AVERAGE PAYMENT PER CASE

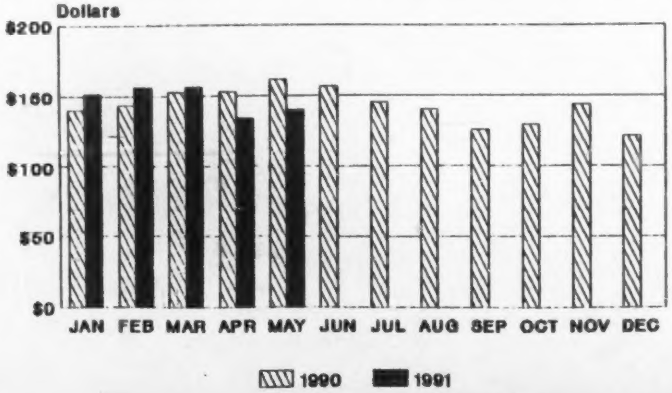


TABLE 5

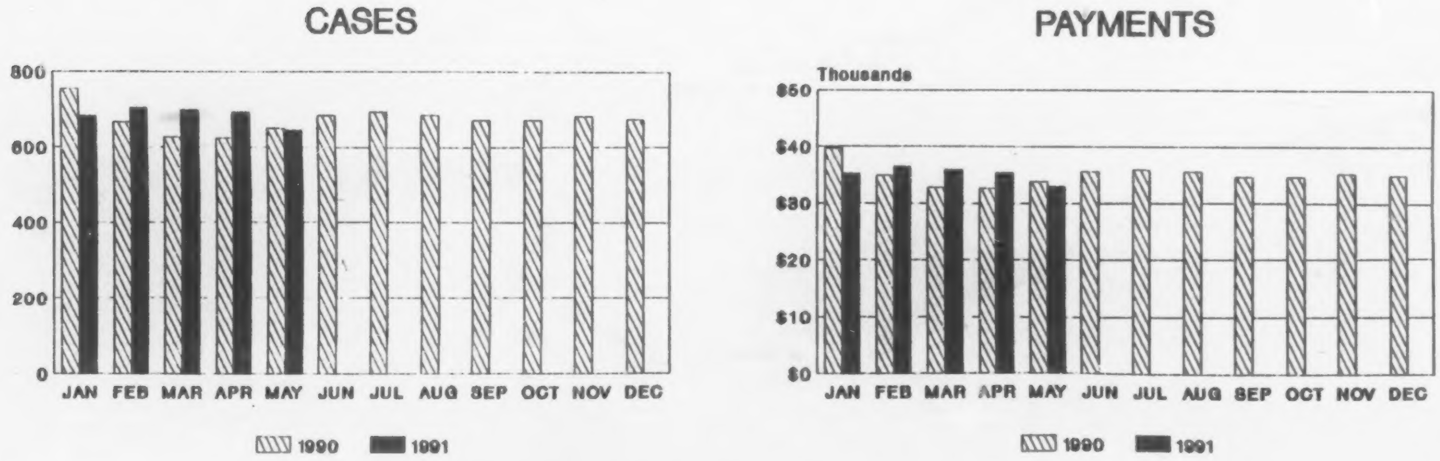
SUPPLEMENTAL PAYMENTS PROGRAM: ARIZONA 1/

				CHANGE FROM			
	MAY 1991			APRIL 1991		MAY 1990	
	NUMBER OF PAYMENTS	TOTAL PAYMENTS	AVERAGE PAYMENT	NUMBER OF PAYMENTS	TOTAL PAYMENTS	NUMBER OF PAYMENTS	TOTAL PAYMENTS
ARIZONA	645	32,820	50.88	(47)	(2,560)	(5)	(1,090)
DISTRICT I							
MARICOPA	612	30,720	50.20	(46)	(2,480)	(1)	(770)
DISTRICT II							
PIMA	12	930	77.50	0	0	(3)	(240)
DISTRICT III	5	340	68.00	(1)	(80)	0	(30)
APACHE	0	0	0.00	0	0	0	0
COCONINO	0	0	0.00	0	0	0	0
NAVAJO	3	240	80.00	(1)	(80)	(1)	(80)
YAVAPAI	2	100	50.00	0	0	1	50
DISTRICT IV	1	50	50.00	0	0	(1)	(50)
LA PAZ	0	0	0.00	0	0	0	0
MOHAVE	0	0	0.00	0	0	0	0
YUMA	1	50	50.00	0	0	(1)	(50)
DISTRICT V	0	0	0.00	0	0	0	0
GILA	0	0	0.00	0	0	0	0
PINAL	0	0	0.00	0	0	0	0
DISTRICT VI	15	780	52.00	0	0	0	0
COCHISE	13	650	50.00	0	0	(1)	(50)
GRAHAM	2	130	65.00	0	0	1	50
GREENLEE	0	0	0.00	0	0	0	0
SANTA CRUZ	0	0	0.00	0	0	0	0

1/ EXCLUDES: PRIOR MONTHS NET TOTAL OF: 3 CASES (PERSONS); $150.

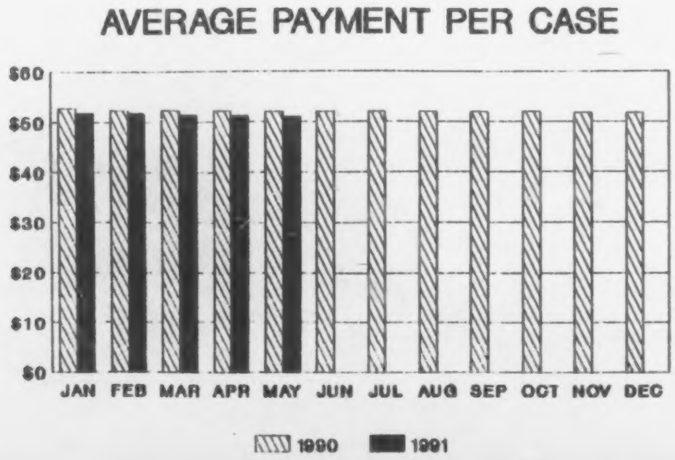
CHART 5

SUPPLEMENTAL PAYMENTS PROGRAM
COMPARISON OF CASES, PAYMENTS & AVERAGE PAYMENT
FOR 1990 AND 1991



CASES

PAYMENTS



AVERAGE PAYMENT PER CASE

TABLE 6

FOOD STAMP PROGRAM: ARIZONA

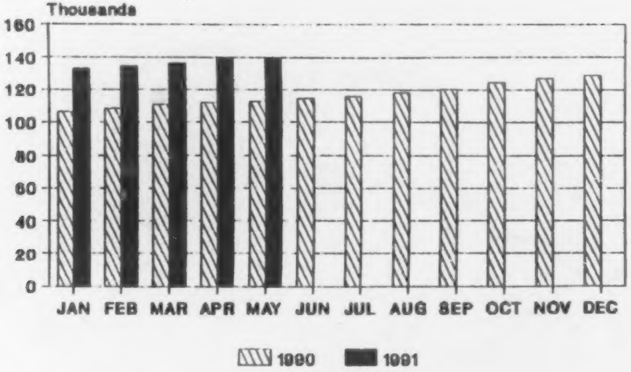
						CHANGE FROM					
	MAY 1991					APRIL 1991			MAY 1990		
	HOUSEHOLDS	PERSONS	TOTAL COUPON ISSUANCE	AVERAGE ALLOT./ HOUSEHOLD	AVERAGE ALLOT./ PERSON	HOUSEHOLDS	PERSONS	TOTAL COUPON ISSUANCE	HOUSEHOLDS	PERSONS	TOTAL COUPON ISSUANCE
ARIZONA	139,302	392,429	25,984,577	186.53	66.21	590	904	(398,194)	26,709	69,399	6,014,350
DISTRICT I											
MARICOPA	68,748	184,611	12,611,614	183.45	68.31	576	1,117	(122,294)	14,868	37,926	3,236,070
DISTRICT II											
PIMA	26,220	68,891	4,550,007	173.53	66.05	(70)	(511)	(128,864)	4,225	9,720	915,497
DISTRICT III	17,299	60,317	3,783,575	218.72	62.73	(25)	(34)	(87,607)	2,995	9,894	785,735
APACHE	5,667	22,217	1,384,927	244.38	62.34	35	167	(14,428)	814	3,017	250,892
COCONINO	3,724	12,458	773,037	207.58	62.05	7	103	(15,441)	682	2,277	185,636
NAVAJO	4,699	17,334	1,097,257	233.51	63.30	(18)	(87)	(26,121)	855	2,959	213,946
YAVAPAI	3,209	8,308	528,354	164.65	63.60	(49)	(217)	(31,617)	644	1,641	135,261
DISTRICT IV	9,394	26,674	1,746,304	185.90	65.47	182	600	24,228	2,101	5,566	442,205
LA PAZ	679	1,833	120,347	177.24	65.66	(6)	(48)	(6,934)	144	367	25,786
MOHAVE	3,540	9,515	635,514	179.52	66.79	(5)	(37)	(22,329)	995	2,766	202,955
YUMA	5,175	15,326	990,443	191.39	64.63	193	685	53,491	962	2,433	213,464
DISTRICT V	9,527	28,600	1,853,894	194.59	64.82	(5)	14	(31,086)	1,342	3,467	365,227
GILA	2,525	7,573	480,394	190.26	63.44	(13)	(31)	(11,122)	218	600	70,800
PINAL	7,002	21,027	1,373,500	196.16	65.32	8	45	(19,964)	1,124	2,867	294,427
DISTRICT VI	8,114	23,336	1,439,183	177.37	61.67	(68)	(282)	(52,571)	1,178	2,826	269,616
COCHISE	4,693	12,965	816,453	173.97	62.97	(12)	(122)	(26,434)	788	1,733	165,452
GRAHAM	1,677	5,053	311,573	185.79	61.66	(26)	(82)	(10,989)	159	481	42,108
GREENLEE	343	897	55,921	163.03	62.34	(20)	(48)	(5,627)	15	24	8,529
SANTA CRUZ	1,401	4,421	255,236	182.18	57.73	(10)	(30)	(9,521)	216	588	53,527

CHART 6

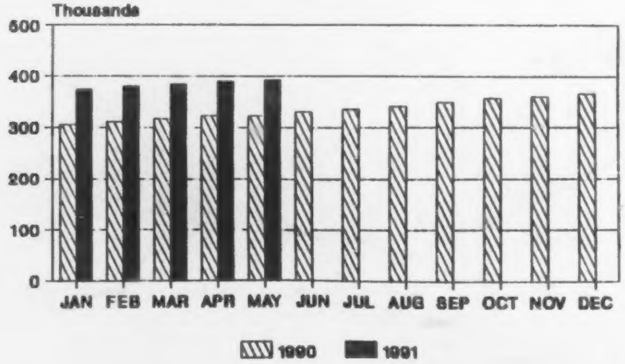
FOOD STAMP PROGRAM

COMPARISON OF HOUSEHOLDS, RECIPIENTS, PAYMENTS AND AVERAGE PAYMENT FOR 1990 AND 1991

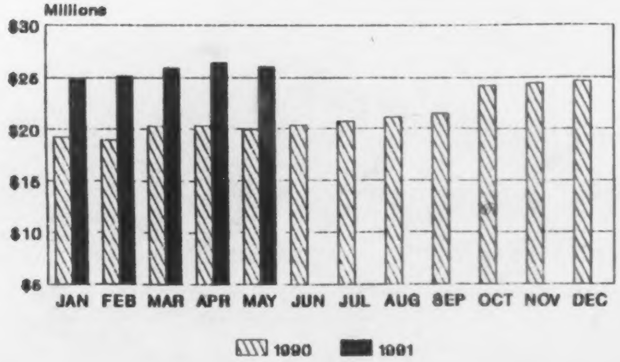
HOUSEHOLDS



RECIPIENTS



PAYMENTS



AVERAGE PAYMENT PER HOUSEHOLD

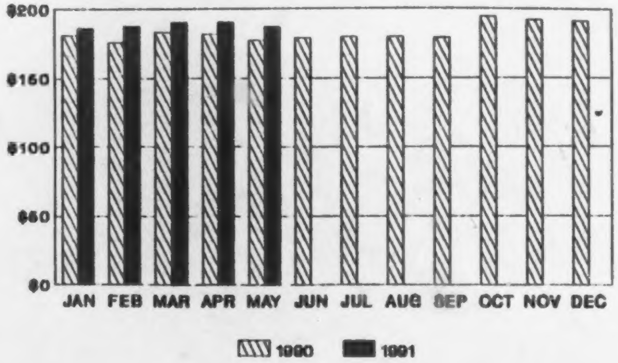


TABLE 7

MEDICAL ASSISTANCE ONLY

CASES

	MAY 1991									CHANGE FROM APRIL 1991								
	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL
ARIZONA	9,637	59,360	12,127	1,582	9	4,840	4,797	3,068	95,420	180	1,594	(267)	25	(2)	4,840	4,797	279	11,446
DISTRICT I																		
MARICOPA	4,841	26,554	4,976	880	7	2,621	2,702	1,565	44,146	87	709	(126)	36	(1)	2,621	2,702	114	6,142
DISTRICT II																		
PIMA	1,575	10,041	1,872	435	2	806	844	702	16,277	33	268	22	10	(1)	806	844	57	2,039
DISTRICT III	1,152	10,027	2,406	117	0	411	366	291	14,770	0	(15)	(151)	(11)	0	411	366	45	645
APACHE	202	3,415	956	50	0	41	23	35	4,722	(3)	54	(37)	(7)	0	41	23	7	78
COCONINO	320	2,251	419	20	0	137	127	100	3,374	(14)	(120)	(90)	(1)	0	137	127	17	56
NAVAJO	325	2,745	716	14	0	80	81	59	4,020	9	67	(30)	(2)	0	80	81	8	213
YAVAPAI	305	1,616	315	33	0	153	135	97	2,654	8	(16)	6	(1)	0	153	135	13	298
DISTRICT IV	846	4,914	1,234	63	0	443	364	164	8,028	38	424	35	(3)	0	443	364	7	1,308
LA PAZ	0	0	0	0	0	1	16	11	28	0	0	0	0	0	1	16	3	20
MOHAVE	307	1,873	407	31	0	196	158	65	3,037	(6)	216	6	(1)	0	196	158	7	576
YUMA	539	3,041	827	32	0	246	190	88	4,963	44	208	29	(2)	0	246	190	(3)	712
DISTRICT V	624	3,894	902	44	0	286	272	161	6,183	12	80	(12)	(5)	0	286	272	23	656
GILA	152	1,116	237	11	0	70	54	51	1,691	(14)	(11)	(11)	1	0	70	54	16	105
PINAL	472	2,778	665	33	0	216	218	110	4,492	26	91	(1)	(6)	0	216	218	7	551
DISTRICT VI	599	3,930	737	43	0	273	249	185	6,016	10	128	(35)	(2)	0	273	249	33	656
COCHISE	321	1,834	379	22	0	144	120	98	2,918	4	74	(16)	(2)	0	144	120	18	342
GRAHAM	30	124	21	5	0	38	50	12	280	1	(7)	(4)	0	0	38	50	2	80
GREENLEE	113	875	174	2	0	16	13	24	1,217	11	24	8	0	0	16	13	2	74
SANTA CRUZ	135	1,097	163	14	0	75	66	51	1,601	(6)	37	(23)	0	0	75	66	11	160

* ALL OTHER: includes IRCA, AFDC Less Than $10, MAO Sibling Income, MAO Deemed Income, MAO Unemployed Parent, AFDC 9 Month Continuing, MAO QPW, MAO QPW Needy, SSI Wid/Widower and SSI Pickles, and First Extension.

TABLE 7

MEDICAL ASSISTANCE ONLY

RECIPIENTS**

	MAY 1991									CHANGE FROM APRIL 1991								
	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL
ARIZONA	9,637	59,360	12,127	1,582	9	5,824	4,855	3,337	96,731	180	1,594	(267)	25	(4)	5,824	4,855	303	12,510
DISTRICT I																		
MARICOPA	4,841	26,554	4,976	880	7	3,207	2,732	1,696	44,893	87	709	(126)	36	(1)	3,207	2,732	121	6,765
DISTRICT II																		
PIMA	1,575	10,041	1,872	435	2	949	855	746	16,475	33	268	22	10	(3)	949	855	52	2,186
DISTRICT III	1,152	10,027	2,406	117	0	488	373	337	14,900	0	(15)	(151)	(11)	0	488	373	69	753
APACHE	202	3,415	956	50	0	53	23	54	4,753	(3)	54	(37)	(7)	0	53	23	18	101
COCONINO	320	2,251	419	20	0	149	131	115	3,405	(14)	(120)	(90)	(1)	0	149	131	26	81
NAVAJO	325	2,745	716	14	0	92	84	67	4,043	9	67	(30)	(2)	0	92	84	10	230
YAVAPAI	305	1,616	315	33	0	194	135	101	2,699	8	(16)	6	(1)	0	194	135	15	341
DISTRICT IV	846	4,914	1,234	63	0	533	368	176	8,134	38	424	35	(3)	0	533	368	3	1,398
LA PAZ	0	0	0	0	0	1	16	11	28	0	0	0	0	0	1	16	—1	18
MOHAVE	307	1,873	407	31	0	240	160	71	3,089	(6)	216	6	(1)	0	240	160	7	622
YUMA	539	3,041	827	32	0	292	192	94	5,017	44	208	29	(2)	0	292	192	(5)	758
DISTRICT V	624	3,894	902	44	0	342	275	180	6,261	12	80	(12)	(5)	0	342	275	23	715
GILA	152	1,116	237	11	0	84	54	55	1,709	(14)	(11)	(11)	1	0	84	54	18	121
PINAL	472	2,778	665	33	0	258	221	125	4,552	26	91	(1)	(6)	0	258	221	5	594
DISTRICT VI	599	3,930	737	43	0	305	252	202	6,068	10	128	(35)	(2)	0	305	252	35	693
COCHISE	321	1,834	379	22	0	164	121	111	2,952	4	74	(16)	(2)	0	164	121	18	363
GRAHAM	30	124	21	5	0	44	51	12	287	1	(7)	(4)	0	0	44	51	2	87
GREENLEE	113	875	174	2	0	18	14	28	1,224	11	24	8	0	0	18	14	4	79
SANTA CRUZ	135	1,097	163	14	0	79	66	51	1,605	(6)	37	(23)	0	0	79	66	11	164

* ALL OTHER: includes IRCA, AFDC Less Than $10, MAO Sibling Income, MAO Deemed Income, MAO Unemployed Parent, AFDC 9 Month Continuing, MAO QPW, MAO QPW Needy, SSI Wid/Widower and SSI Pickles, and First Extension.

** AFDC 4 Month Continuing, AFDC 9 Month Continuing, AFDC Less Than $10 and MAO Sibling Income estimated at 2.9 recipients per case.

TABLE 7

MEDICAL ASSISTANCE ONLY

CASES

	MAY 1991									CHANGE FROM MAY 1990								
	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL
ARIZONA	9,637	59,360	12,127	1,582	9	4,840	4,797	3,068	95,420	1,686	16,330	(1,695)	(30)	(757)	(379)	764	1,873	17,792
DISTRICT I																		
MARICOPA	4,841	26,554	4,976	880	7	2,621	2,702	1,565	44,146	933	8,109	(441)	7	(417)	(50)	350	1,012	9,503
DISTRICT II																		
PIMA	1,575	10,041	1,872	435	2	806	844	702	16,277	192	2,276	(372)	(58)	(122)	(207)	109	409	2,227
DISTRICT III	1,152	10,027	2,406	117	0	411	366	291	14,770	211	2,554	(486)	26	(70)	(14)	119	170	2,510
APACHE	202	3,415	956	50	0	41	23	35	4,722	10	783	(300)	42	(13)	11	9	14	556
COCONINO	320	2,251	419	20	0	137	127	100	3,374	64	655	(46)	(6)	(25)	10	41	60	753
NAVAJO	325	2,745	716	14	0	80	81	59	4,020	63	607	(116)	(2)	(12)	(12)	26	26	580
YAVAPAI	305	1,616	315	33	0	153	135	97	2,654	74	509	(24)	(8)	(20)	(23)	43	70	621
DISTRICT IV	846	4,914	1,234	63	0	443	364	164	8,028	238	1,529	(192)	2	(59)	(21)	81	110	1,688
LA PAZ	0	0	0	0	0	1	16	11	28	0	0	0	0	(1)	(26)	(1)	8	(20
MOHAVE	307	1,873	407	31	0	196	158	65	3,037	54	582	13	4	(22)	(16)	35	39	689
YUMA	539	3,041	827	32	0	246	190	88	4,963	184	947	(205)	(2)	(36)	21	47	63	1,019
DISTRICT V	624	3,894	902	44	0	286	272	161	6,183	55	969	46	(3)	(39)	(6)	55	62	1,139
GILA	152	1,116	237	11	0	70	54	51	1,691	(21)	220	6	4	(8)	9	20	16	246
PINAL	472	2,778	665	33	0	216	218	110	4,492	76	749	40	(7)	(31)	(15)	35	46	893
DISTRICT VI	599	3,930	737	43	0	273	249	185	6,016	57	893	(250)	(4)	(50)	(81)	50	110	725
COCHISE	321	1,834	379	22	0	144	120	98	2,918	26	381	(135)	0	(32)	(37)	10	58	271
GRAHAM	30	124	21	5	0	38	50	12	280	7	22	1	(2)	0	(5)	7	5	35
GREENLEE	113	875	174	2	0	16	13	24	1,217	(1)	159	(65)	(8)	(5)	(8)	7	6	85
SANTA CRUZ	135	1,097	163	14	0	75	66	51	1,601	25	331	(51)	6	(13)	(31)	26	41	334

* ALL OTHER: includes IRCA, AFDC Less Than $10, MAO Sibling Income, MAO Deemed Income, MAO Unemployed Parent, AFDC 9 Month Continuing, MAO QPW, MAO QPW Needy, SSI Wid/Widower and SSI Pickles.

TABLE 7

MEDICAL ASSISTANCE ONLY

RECIPIENTS**

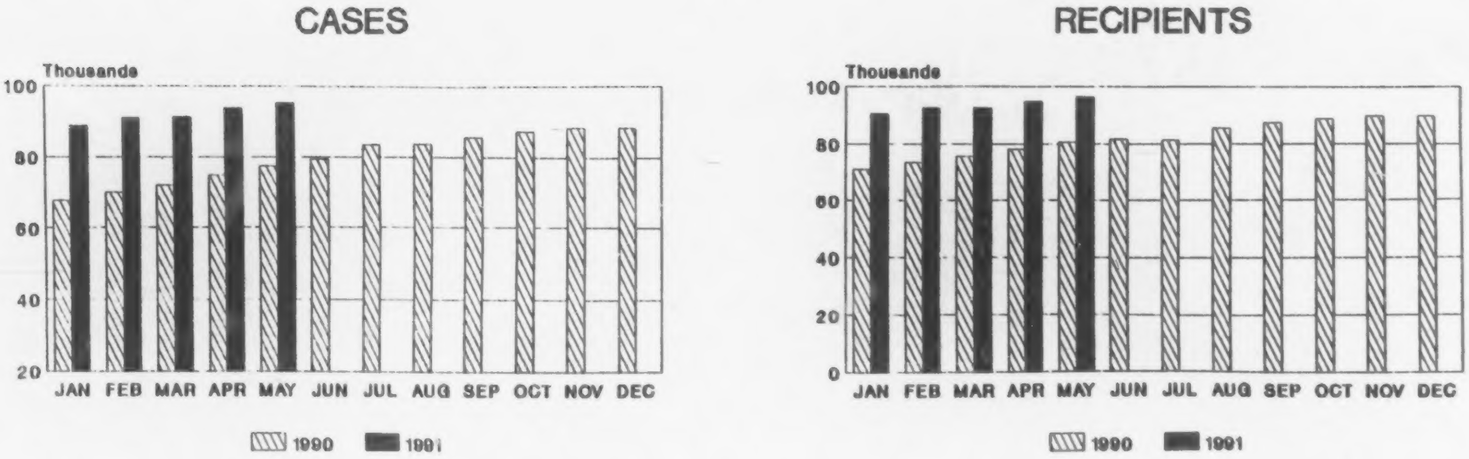
	MAY 1991									CHANGE FROM MAY 1990								
	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTAL	SOBRA WOMEN	SOBRA CHILD	RIBICOFF	RIBICOFF + AFDC FC	4 MONTH CONT.	6 MONTH GTD	NEWBORN	ALL* OTHER	TOTA
ARIZONA	9,637	59,360	12,127	1,582	9	5,824	4,855	3,337	96,731	1,686	16,330	(1,69[illegible])	(30)	(2,197)	(542)	772	1,754	16,07
DISTRICT I																		
MARICOPA	4,841	26,554	4,976	880	7	3,207	2,732	1,696	44,893	933	8,109	(441)	7	(1,215)	(178)	350	968	8,53
DISTRICT II																		
PIMA	1,575	10,041	1,872	435	2	949	855	746	16,475	192	2,276	(372)	(58)	(350)	(197)	110	371	1,97
DISTRICT III	1,152	10,027	2,406	117	0	488	373	337	14,900	211	2,554	(486)	26	(204)	(17)	122	182	2,38
APACHE	202	3,415	956	50	0	53	23	54	4,753	10	783	(300)	42	(38)	19	8	18	54
COCONINO	320	2,251	419	20	0	149	131	115	3,405	64	655	(46)	(6)	(73)	(8)	42	70	69
NAVAJO	325	2,745	716	14	0	92	84	67	4,043	63	607	(116)	(2)	(35)	(17)	29	26	55
YAVAPAI	305	1,616	315	33	0	194	135	101	2,699	74	509	(24)	(8)	(58)	(11)	43	68	59
DISTRICT IV	846	4,914	1,234	63	0	533	368	176	8,134	238	1,529	(192)	2	(169)	(13)	84	94	1,57
LA PAZ	0	0	0	0	0	1	16	11	28	0	0	0	0	(3)	(29)	(1)	4	(2
MOHAVE	307	1,873	407	31	0	240	160	71	3,089	54	582	13	4	(62)	(24)	36	34	637
YUMA	539	3,041	827	32	0	292	192	94	5,017	184	947	(205)	(2)	(104)	40	49	56	965
DISTRICT V	624	3,894	902	44	0	342	275	180	6,261	55	969	46	(3)	(113)	(16)	56	39	1,03
GILA	152	1,116	237	11	0	84	54	55	1,709	(21)	220	6	4	(23)	16	20	5	227
PINAL	472	2,778	665	33	0	258	221	125	4,552	76	749	40	(7)	(90)	(32)	36	34	806
DISTRICT VI	599	3,930	737	43	0	305	252	202	6,068	57	893	(250)	(4)	(146)	(121)	50	100	579
COCHISE	321	1,834	379	22	0	164	121	111	2,952	26	381	(135)	0	(93)	(71)	11	60	179
GRAHAM	30	124	21	5	0	44	51	12	287	7	22	1	(2)	0	(6)	5	3	30
GREENLEE	113	875	174	2	0	18	14	28	1,224	(1)	159	(65)	(8)	(15)	(10)	8	6	74
SANTA CRUZ	135	1,097	163	14	0	79	66	51	1,605	25	331	(51)	6	(38)	(34)	26	31	296

* ALL OTHER: includes IRCA, AFDC Less Than $10, MAO Sibling Income, MAO Deemed Income, MAO Unemployed Parent, AFDC 9 Month Continuing, MAO QPW, MAO QPW Needy, SSI Wid/Widower and SSI Pickles.

** AFDC 4 Month Continuing, AFDC 9 Month Continuing, AFDC Less Than $10 and MAO Sibling Income estimated at 2.9 recipients per case.

CHART 7

MEDICAL ASSISTANCE ONLY PROGRAM
COMPARISON OF CASES AND RECIPIENTS
FOR 1990 AND 1991


CASES
Thousands
100
80
60
40
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JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
▨ 1990 ■ 1991
RECIPIENTS
Thousands
100
80
60
40
20
0
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
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